

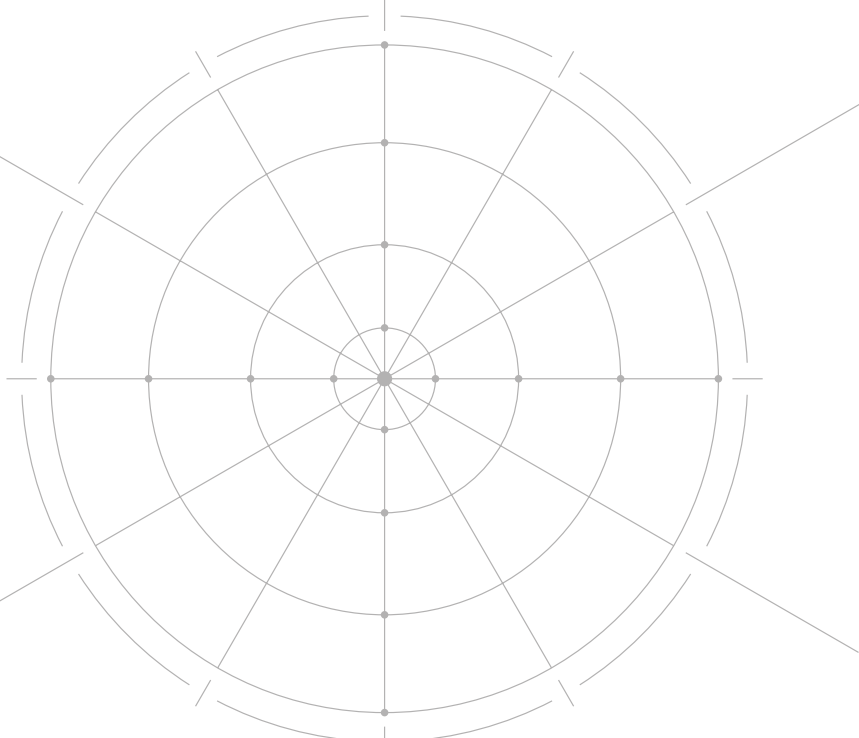
REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

pursuant to Article 123-*bis* of Legislative Decree No. 58 of 24 February 1998
Approved by the Board of Directors on 7 March 2023



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

pursuant to Article 123-*bis* of Legislative Decree No. 58
of 24 February 1998



Issuer: Fincantieri S.p.A.
Website: www.fincantieri.com
Financial year: 2022
Approved by the Board of Directors on 7 March 2023

Traditional Governance and Control Model

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Glossary

Auditing Firm

Deloitte & Touche S.p.A.

Board Committees or Committees

The committees formed within the Board of Directors, pursuant to Recommendation 16 of the Corporate Governance Code (specifically, the Control and Risk Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee).

Board of Directors or Board

Fincantieri's Board of Directors.

Board of Statutory Auditors

Fincantieri's Board of Statutory Auditors.

Borsa Italiana

Borsa Italiana S.p.A. (Italian Stock Exchange).

By-laws

Fincantieri's By-laws in force as at the date of this Report.

Civil Code

The Italian Civil Code.

Code of Conduct

The Code of Conduct adopted by the Company and described in Section 4.3 of this Report.

Consob Issuers' Regulation

The Regulation issued by Consob with Resolution No. 11971 of 14 May 1999 on issuers, as amended.

Consob Related Parties Regulation

The Regulation issued by Consob with Resolution No. 17221 of 12 March 2010, as amended.

Control and Risk Committee or CRC

The board committee described in Section 2.3.1 of this Report.

Corporate Governance Code or Code

The Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

Corporate Governance Committee or CG Committee

The Italian Listed Companies Corporate Governance Committee, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Corporate Governance Report or Report

This report on corporate governance and ownership structure prepared in accordance with Article 123-*bis* of the Italian Consolidated Law on Finance (TUF).

Financial Year or 2022 Financial Year

The financial year ended on 31 December 2022 to which this Report refers.

Fincantieri, the Company or the Issuer

Fincantieri S.p.A.

Group or Fincantieri Group

Fincantieri and its subsidiaries in accordance with Article 93 of the Italian Consolidated Law on Finance (TUF).

Head of Internal Auditing

The Head of Internal Auditing described in Section 3.2.2 of this Report.

ICRMS

The Company's internal control and risk management system.

Italian Consolidated Law on Finance (TUF)

Legislative Decree No. 58 of 24 February 1998, as amended.

Nomination Committee or NC

The board committee described in Section 2.3.3 of this Report.

Officer in Charge

The Manager responsible for preparing the corporate financial reports appointed in accordance with Article 154-*bis* of the Italian Consolidated Law on Finance (TUF) and Article 26 of the By-Laws.

Organizational Model

The Organizational Model adopted by the Company in accordance with Legislative Decree No. 231 of 8 June 2001, as amended.

Related Party Transactions Committee or RPT Committee

The Control and Risk Committee acting as the related party transactions committee in accordance with the Consob Related Parties Regulation described in Section 4.1 of this Report.

Remuneration Committee or RC

The board committee described in Section 2.3.2 of this Report.

Remuneration Report

The report on the remuneration policy and fees paid prepared in accordance with Article 123-*ter* of the Italian Consolidated Law on Finance (TUF) and Article 84-*quater* of the Consob Issuers' Regulation.

Risk Officer

The Risk Officer described in Section 3.2.3 of this Report.

Shareholders' Meeting

Fincantieri Shareholders' Meeting.

Supervisory Body or SB

The supervisory body established in accordance with Article 6(1)(b) of Legislative Decree No. 231 of 8 June 2001, as amended.

Sustainability Committee or SC

The board committee described in Section 2.3.4 of this Report.

Sustainability Report or NFD

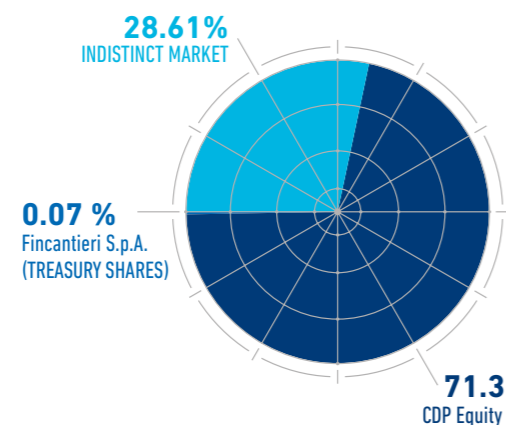
The non-financial disclosure prepared in accordance with Legislative Decree No. 254 of 30 December 2016 approved by the Board of Directors.

Executive summary

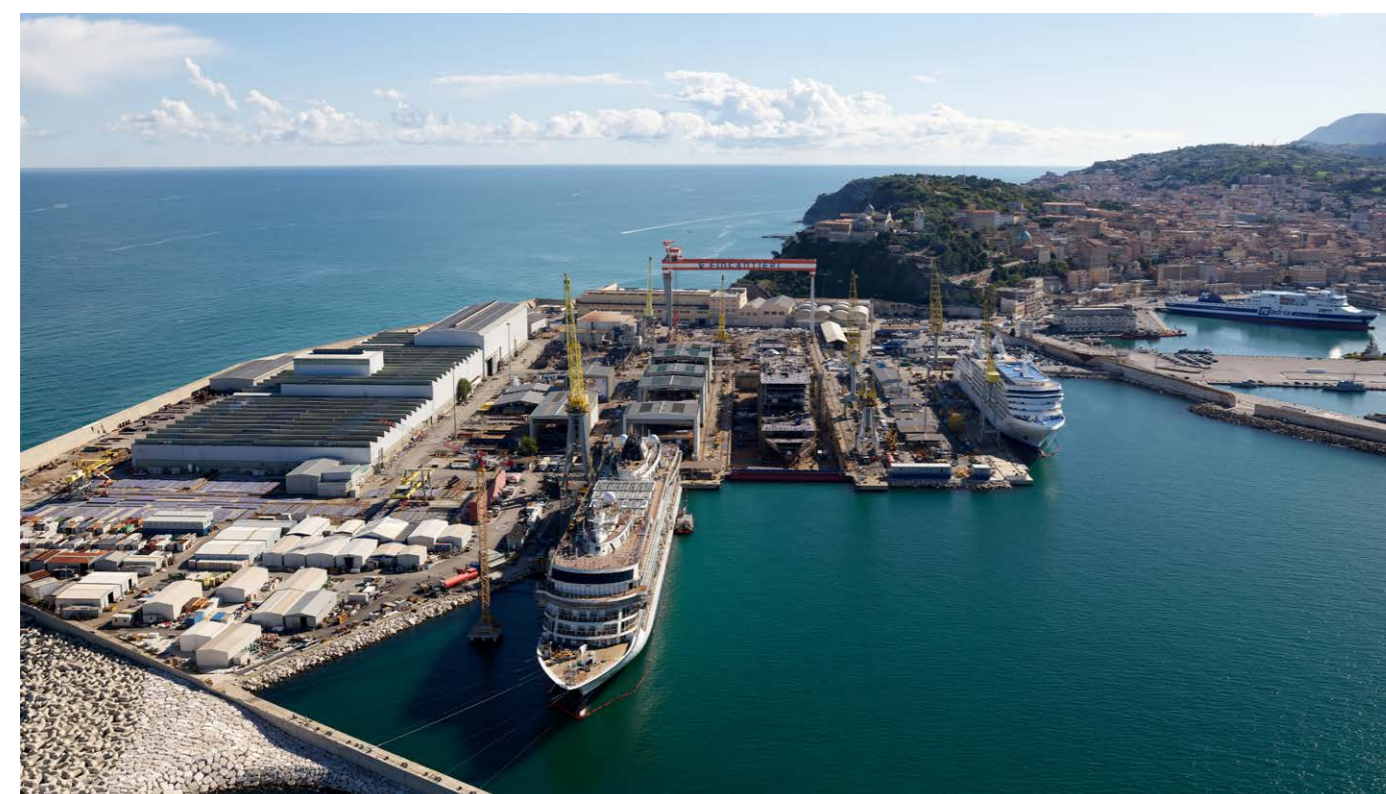
Shareholders

The following graph and table show the composition of the Company's shareholders and the types of investors in the Company as at the end of the Financial Year and the date of this Report.

SHAREHOLDERS

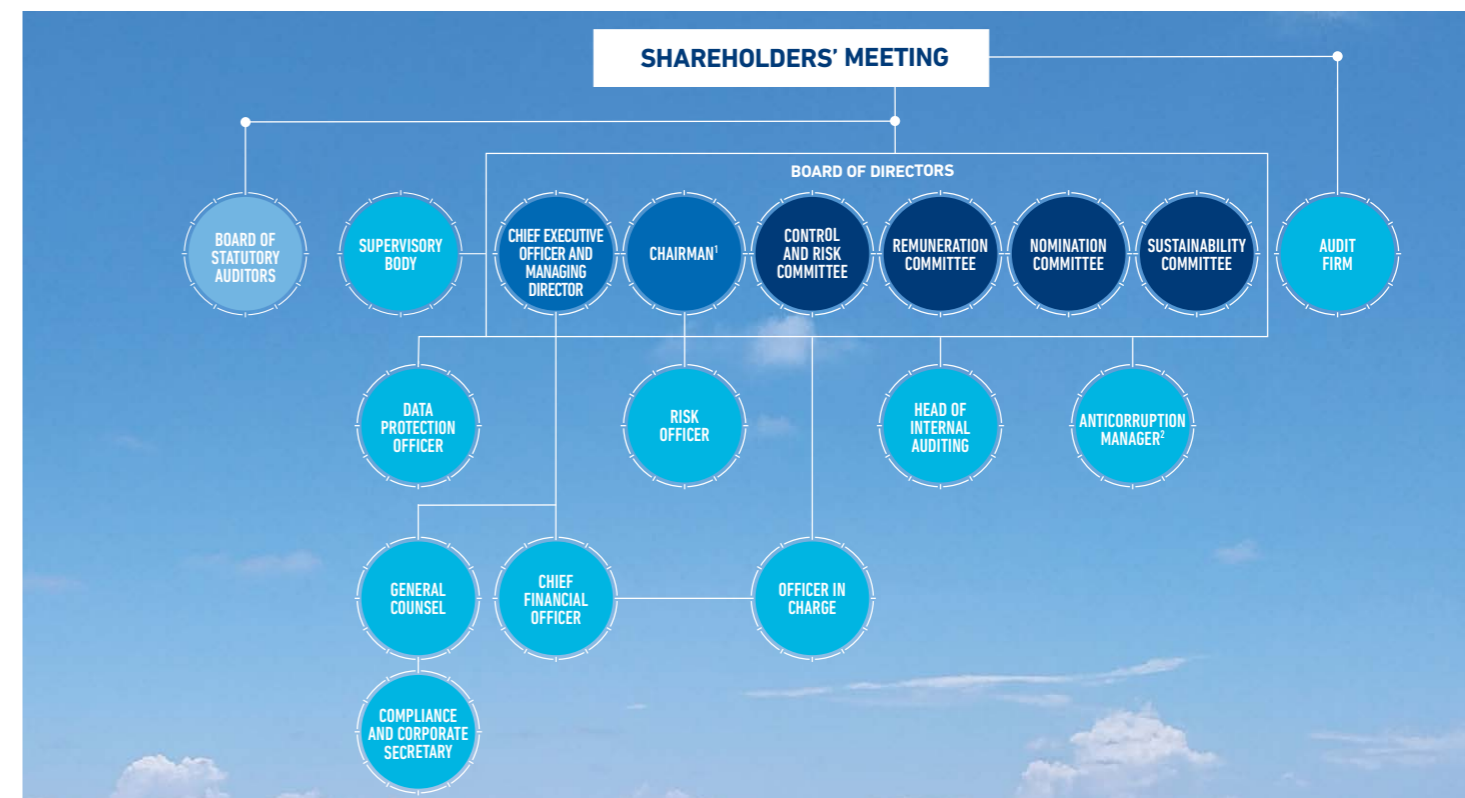


SHAREHOLDER CHARACTERISTICS	YES/NO	% share capital
Shareholders' agreements	No	-
Ownership threshold to submit slates for the appointment of the corporate bodies	-	1



Corporate Governance in Fincantieri

The Company's corporate governance structure is illustrated below.



¹ On 16 May 2022, the Board of Directors delegated powers to the Chairman regarding the internal control and risk management system.
² Head of the Compliance Department for the prevention of corruption in accordance with UNI ISO 37001:2016.

Composition of the Board of Directors

The composition of the Board of Directors appointed by the Shareholders' Meeting on 16 May 2022, in office at the end of the Financial Year and at the date of this Report is shown below.

DIRECTOR	OFFICE	TERM EXPIRY	ROLE	INDEP. BY LAW	INDEP. BY CODE	CRC	RC	NC	SC
Claudio Graziano	Chairman	Sh. meeting to app. fin. stat. 2024	Executive	-	-	-	-	-	-
Pierroberto Folgiero	CEO	Sh. meeting to app. fin. stat. 2024	Executive	-	-	-	-	-	-
Paolo Amato	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	X	-	-	P
Alessandra Battaglia	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	-	-	-	-	X	X
Alberto Dell'Acqua	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	P	X	-	-
Massimo Di Carlo	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	-	-	X	X	-	-
Paola Muratorio	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	-	P	-	X
Cristina Scocchia	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	X	-	P	-
Valter Trevisani	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	X ¹	X	X	-
Alice Vatta	Director	Sh. meeting to app. fin. stat. 2024	Non-Executive	✓	✓	-	-	X	X

CRC: Control and Risk Committee
 RC: Remuneration Committee
 NC: Nomination Committee
 SC: Sustainability Committee

¹ Member of the Control and Risk Committee to replace Director Di Carlo when the Committee, meeting as the RPT Committee, examines the most significant related party transactions.

P: Chairman of the Committee.
 X: Committee member.
 ✓: Satisfies the requirement.
 -: Not applicable.

The composition of the previous Board of Directors, appointed by the Shareholders' Meeting on 5 April 2019 and in office until 16 May 2022 is shown below.

DIRECTOR	OFFICE	TERM EXPIRY	ROLE	INDEP. BY LAW	INDEP. BY CODE	CRC	RC	NC	SC
Giampiero Massolo	Chairman	Sh. meeting to app. fin. stat. 2021	Executive	-	-	-	-	-	-
Giuseppe Bono	CEO	Sh. meeting to app. fin. stat. 2021	Executive	-	-	-	-	-	-
Barbara Alemanni	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	X	X	-	-
Massimiliano Cesare	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	P	-	X	-
Luca Errico	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	-	-	X	X
Paola Muratorio	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	X ¹	P	-	X
Elisabetta Oliveri	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	-	X	-	P
Fabrizio Palermo	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	-	-	X	X	-
Federica Santini	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	-	-	X	-	-	X
Federica Seganti	Director	Sh. meeting to app. fin. stat. 2021	Non-executive	✓	✓	X	-	P	-

CRC: Control and Risk Committee
RC: Remuneration Committee
NC: Nomination Committee
SC: Sustainability Committee

¹ Member of the Control and Risk Committee to replace Director Santini when the Committee, meeting as the RPT Committee, examines the most significant related party transactions.

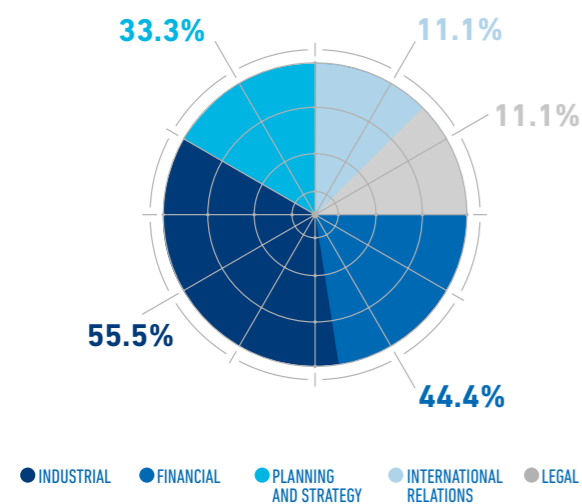
P: Chairman of the Committee.
X: Committee member.
✓: Satisfies the requirement.
-: Not applicable.

Characteristics of Members of the Board of Directors

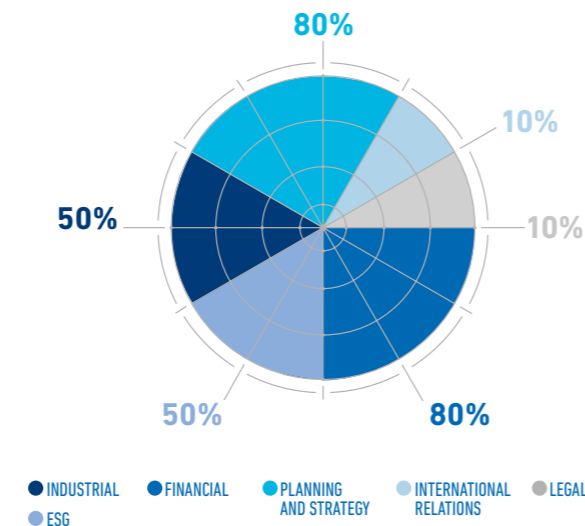
A summary of the characteristics of the members of the previous Board of Directors in office until 16 May 2022 and of the Board of Directors in office as at the closing date of the Financial Year and the date of this Report is shown below.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Board in office until 16 May 2022



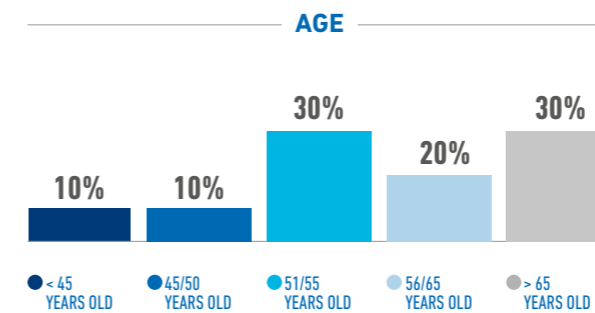
Board in office from 16 May 2022*



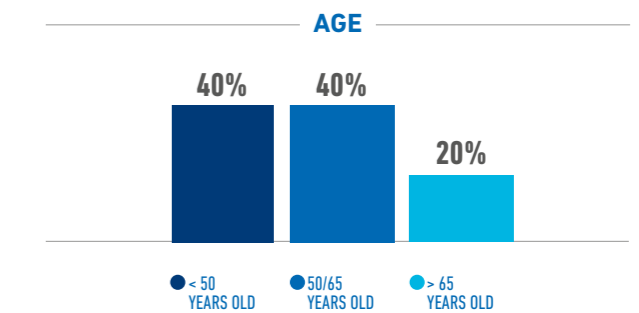
* For further information on the expertise of each Director, please see Annex 1 of this Report.

AGE OF THE BOARD OF DIRECTORS

Board in office until 16 May 2022

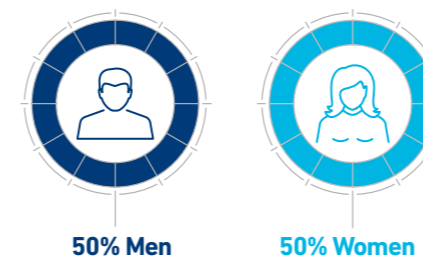


Board in office from 16 May 2022

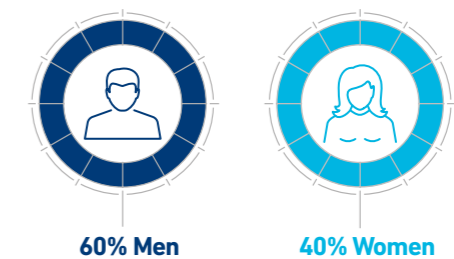


GENDER DIVERSITY

Board in office until 16 May 2022



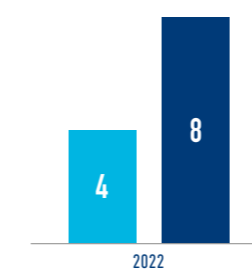
Board in office from 16 May 2022



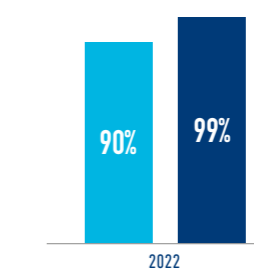
OPERATION OF THE BOARD OF DIRECTORS

Graphs related to the number of Board of Directors' meetings held during the Financial Year and the rate of attendance of Directors at these meetings are shown below.

NUMBER OF BOD MEETINGS IN THE 2022 FINANCIAL YEAR



ATTENDANCE RATE AT BOD MEETINGS IN THE 2022 FINANCIAL YEAR



Board Committees: composition, number of meetings and participation rate of Directors

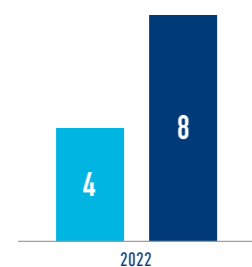
A summary of the characteristics of the composition, number of meetings and participation rate of Directors in the Board Committees established within the previous Board of Directors in office until 16 May 2022 and of the Board of Directors in office as at the closing date of the Financial Year and the date of this Report is shown below.



* Replaced by Paola Muratorio when the Committee meets as the RPT Committee to examine the most significant RPTs

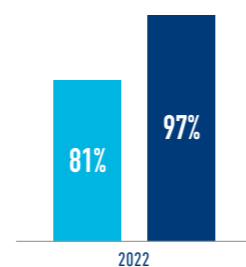
* Replaced by Valter Trevisani when the Committee meets as the RPT Committee to examine the most significant RPTs

NUMBER OF CRC MEETINGS IN THE 2022 FINANCIAL YEAR

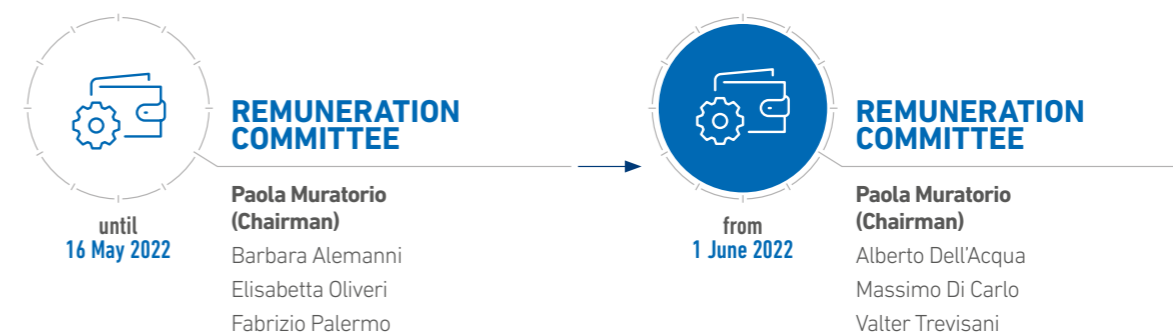


● CRC IN OFFICE UNTIL 16 MAY 2022
● CRC IN OFFICE FROM 1 JUNE 2022

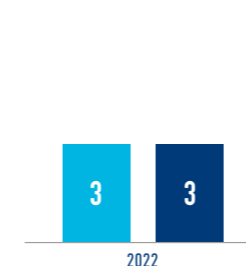
ATTENDANCE RATE AT CRC MEETINGS IN THE 2022 FINANCIAL YEAR



● CRC IN OFFICE UNTIL 16 MAY 2022
● CRC IN OFFICE FROM 1 JUNE 2022

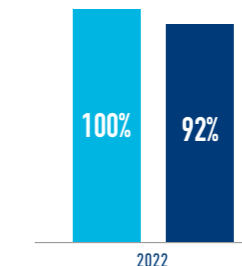


NUMBER OF RC MEETINGS IN THE 2022 FINANCIAL YEAR

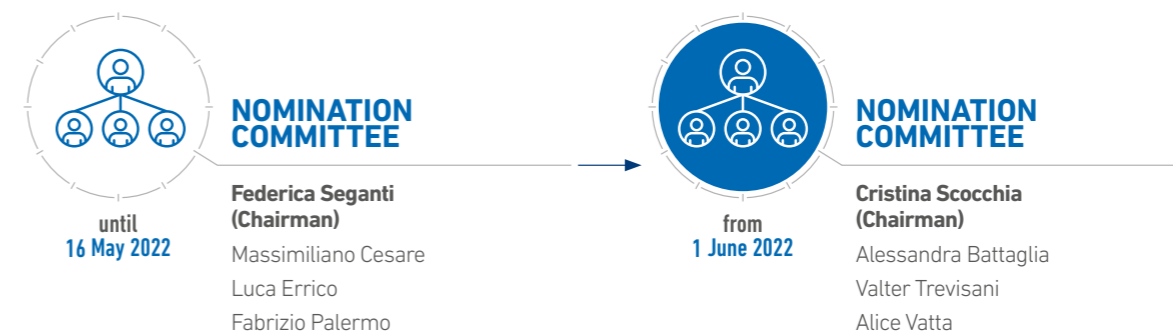


● RC IN OFFICE UNTIL 16 MAY 2022
● RC IN OFFICE FROM 1 JUNE 2022

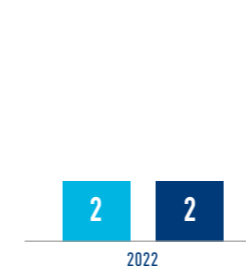
ATTENDANCE RATE AT RC MEETINGS IN THE 2022 FINANCIAL YEAR



● RC IN OFFICE UNTIL 16 MAY 2022
● RC IN OFFICE FROM 1 JUNE 2022

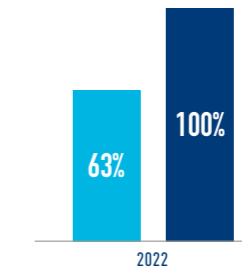


NUMBER OF NC MEETINGS IN THE 2022 FINANCIAL YEAR

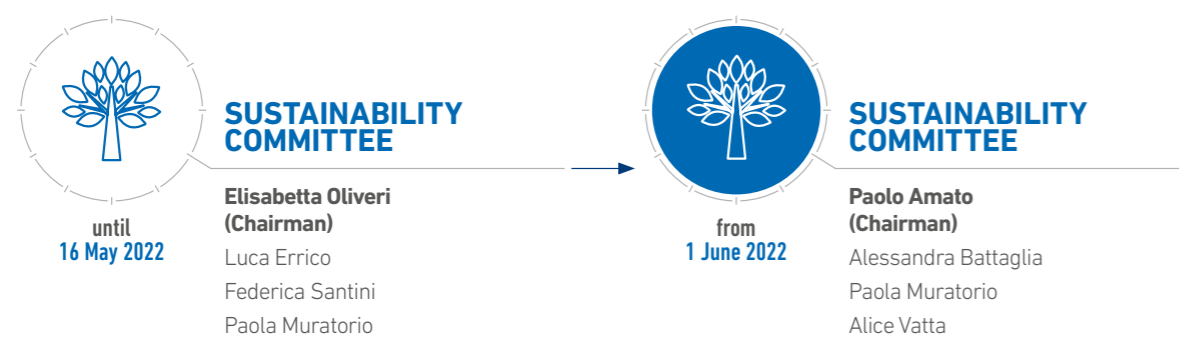


● NC IN OFFICE UNTIL 16 MAY 2022
● NC IN OFFICE FROM 1 JUNE 2022

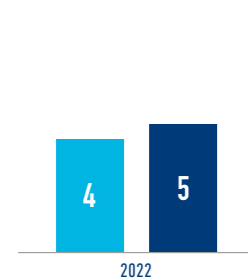
ATTENDANCE RATE AT NC MEETINGS IN THE 2022 FINANCIAL YEAR



● NC IN OFFICE UNTIL 16 MAY 2022
● NC IN OFFICE FROM 1 JUNE 2022

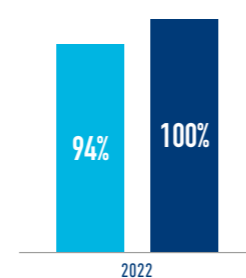


NUMBER OF SC MEETINGS IN THE 2022 FINANCIAL YEAR



● SC IN OFFICE UNTIL 16 MAY 2022
● SC IN OFFICE FROM 1 JUNE 2022

ATTENDANCE RATE AT SC MEETINGS IN THE 2022 FINANCIAL YEAR



● SC IN OFFICE UNTIL 16 MAY 2022
● SC IN OFFICE FROM 1 JUNE 2022

Composition of the Board of Statutory Auditors

The composition of the Board of Statutory Auditors in office as at the closing day of the Financial Year and the date of this Report is shown below.

MEMBERS	ROLE	TERM EXPIRY
Gianluca Ferrero	Chairman	Sh. meeting to app. fin. stat. 2022
Rossella Tosini	Statutory auditor	Sh. meeting to app. fin. stat. 2022
Pasquale De Falco	Statutory auditor	Sh. meeting to app. fin. stat. 2022
Alberto De Nigro	Statutory auditor	Sh. meeting to app. fin. stat. 2022
Valeria Maria Scuteri	Statutory auditor	Sh. meeting to app. fin. stat. 2022
Aldo Anellucci	Statutory auditor	Sh. meeting to app. fin. stat. 2022

Other information on the Board of Directors, Committees and Board of Statutory Auditors*

BOARD OF DIRECTORS	FINCANTIERI	AVERAGE FOR LISTED COMPANIES**
Number of Directors	10	9.6
% Executive directors	20	26.4
% Non-executive directors	80	-
Number of non-executive directors not qualified as independent under the Code	20	24.9
% independent directors under Code	60	48.7
% less represented gender	40	-
Average age of Directors	55.8	57
No. of BoD meetings	12	11.9
% attendance at BoD meetings	96	96
Average duration of BoD meetings	139 min.	150 min.
Lead Independent Director	Appointed	49%
Board evaluation	Performed	84%
Position on multiple offices	Adopted	47%
Succession plan	Adopted	71%
Engagement policy	Adopted	57%

BOARD OF DIRECTORS/COMMITTEES	FINCANTIERI	AVERAGE FOR LISTED COMPANIES**
No. of CRC meetings	12 ¹	9.4
% attendance at CRC meetings	92	-
Average length of CRC meetings	101	120 min.
No. of RC meetings	6	6.1
% attendance at RC meetings	96	-
Average length of RC meetings	84 min.	60 min.
No. of NC meetings	4	7.7
% attendance at NC meetings	81	-
Average length of NC meetings	39 min.	60 min.
No. of SC meetings	9	-
% attendance at SC meetings	97	-
Average length of SC meetings	139	-

BOARD OF STATUTORY AUDITORS	FINCANTIERI	AVERAGE FOR LISTED COMPANIES**
Number of Auditors	3	-
Average age of Auditors	60	56.8
No. of meetings	12	15.5
Average duration of meetings	97 min.	-
% attendance by Auditors	100	-

* The statistical data in this table for Fincantieri refer to the composition and operation of the Board of Directors, Board Committees and Board of Statutory Auditors during the Financial Year.
** Most recent available data from the Assonime - Emittenti Titoli S.p.A. report "Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2022)" of 10 February 2023.

¹ Of which 2 acting as the RPT Committee.



Internal control and Risk Management System

BODY / FUNCTION	CONTACT	NOTES
Chairman of the Board of Directors	Claudio Graziano ²	-
Internal Auditing Department	-	Internal to the Company
Head of Internal Auditing	Stefano Dentilli	Reports to the BoD
Risk Officer	Stefano Dentilli	-
Officer in Charge	Felice Bonavolontà	Group Accounting and Administration Manager
Supervisory Body ³	Attilio Befera (Chairman) Fioranna Negri Stefano Dentilli	(External member) External member Internal member
Head of Anticorruption Compliance Function	Stefano Dentilli	Reports to the BoD
Board of Statutory Auditors	Gianluca Ferrero (Chairman) Rossella Tosini Pasquale De Falco	-
Audit firm	Deloitte & Touche S.p.A.	Term expiry: Shareholders' Meeting to approve 2028 financial statements

² For further information, please see Section 3.2.1 of this Report.

³ Appointed by the Board of Directors on 25 February 2021.



Introduction – compliance

Fincantieri's Corporate Governance system took effect when its shares began trading on the Italian Electronic Stock Market organized and managed by Borsa Italiana S.p.A. on 3 July 2014. That Corporate Governance system adheres to the principles set out in the Corporate Governance Code prepared by the Listed Companies Corporate Governance Committee sponsored by Borsa Italiana S.p.A., and over the years Fincantieri has approved the changes to the system required by later editions of the Corporate Governance Code.

In January 2020, the Corporate Governance Committee published a new edition of the Corporate Governance Code, applicable from the first financial year after 31 December 2020.

Since January 2021, the Company has adapted its corporate governance system to the new Corporate Governance Code in a timely manner, adopting the necessary documents in accordance with the principles and recommendations contained therein.

In particular, by resolution of 28 January 2021, after consulting the relevant Committees, the previous Board of Directors approved the following documents:

- a) Regulations of the Board of Directors;
- b) Nomination Committee Regulations, amended to conform to the provisions of the Corporate Governance Code;
- c) Remuneration Committee Regulations, amended to implement the provisions of the Corporate Governance Code;
- d) Sustainability Committee Regulations, amended to implement the provisions of the Corporate Governance Code;
- e) Control and Risk Committee Regulations, amended to implement the provisions of the Corporate Governance Code;
- f) Procedure for the preparation of the Remuneration Policy and assessment of the consistency of remuneration paid;
- g) Board Evaluation Procedure;
- h) Succession plan for the Chairman of the Board of Directors and the Chief Executive Officer;
- i) Top Management Succession Guidelines;
- j) Guidelines on the maximum number of offices that Directors may hold, amended to implement the provisions of the Corporate Governance Code;
- k) Criteria for significance of relationships and additional remuneration for the assessment of independence;
- l) General criteria for identifying significant transactions by subsidiaries.

With a resolution passed on 16 December 2021, the previous Board of Directors approved the Policy for managing dialogue with the shareholders and other relevant stakeholders, thus completing the aforementioned process of conforming to the Corporate Governance Code's principles and recommendations, which had been initiated and substantially completed starting in January 2021.

The Board of Directors in office at the date of this Report has confirmed or updated the aforementioned documents where deemed appropriate.

This Report contains the information required by Article 123-*bis* of the Italian Consolidated Law on Finance (TUF) and current regulatory provisions applicable to the Company's corporate governance system and its ownership structure for the 2022 Financial Year. In line with the recommendations of the Corporate Governance Code, this Report also contains complete and accurate information on how the Company complies with the principles and recommendations in this Code, indicating (where applicable) any specific recommendations that the Company has decided not to follow.

The text of the Corporate Governance Code is available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

This Report was also prepared based on the guidance in the format prepared by Borsa Italiana for the report on corporate governance and ownership structure (9th Edition, January 2022).

Company Profile

Fincantieri is one of the world's largest shipbuilding groups and the leader in diversification and innovation.

The Fincantieri Group is a world leader in the design and construction of cruise ships and a leading operator in all sectors of high-technology shipbuilding, from naval vessels to offshore and specialized vessels and highly complex ferries to mega yachts. The Group is also a leader in ship repairs and conversions, production of mechatronic and electronic systems and components, and ship furnishing solutions, as well as in providing after-sales services such as logistical support and assistance to fleets in service.

Fincantieri conducts business through three operating segments, which offer increasingly innovative products with reduced environmental impact: Shipbuilding, Offshore and Specialized Vessels and Equipment, Systems and Services.

The Shipbuilding segment includes the design and construction of ships for the cruise ships and expedition cruise vessels business areas and naval vessels. Production is carried out at the Group's shipyards in Italy, Europe and the United States.

The Offshore and Specialized vessels segment includes the design and construction of high-end offshore support vessels for the offshore wind farms and Oil&Gas industry, specialized vessels, vessels for open ocean aquaculture and unmanned ships;

Lastly, the Equipment, Systems and Services segment includes ship repair and conversion, logistical support, refitting, training and after-sales services, fitting out of cabins and public areas, and glass surfaces. The segment is also active in the development of digital products, cybersecurity and the design and integration of complex systems (systems integration), telecommunications and the country's critical infrastructures, mechanical components and power electronics in the maritime and land-based sectors. Operations also include the design, fabrication and installation of steel structures for large-scale projects, as well as the production and construction of maritime works, the supply of technology and facility management in the health, industry and service sectors. The Fincantieri Group, with headquarters in Trieste, has 18 shipyards on four continents and a total of 20,787 employees, of which 10,928 work in Italy. Fincantieri's main subsidiaries are: Fincantieri NexTech S.p.A., Marine Interiors S.p.A., Fincantieri SI S.p.A., Fincantieri Marine Systems North America Inc., Fincantieri Marine Group LLC, Fincantieri Infrastructure S.p.A., Fincantieri Oil&Gas S.p.A. and VARD, a group with operations based in Norway.



The 2023-2027 Business Plan

The Board of Directors of Fincantieri S.p.A., chaired by Claudio Graziano, examined and approved the strategic guidelines of the 2023-2027 Business Plan presented by Chief Executive Officer Pierroberto Folgiero. The Business Plan is rooted in a post pandemic context, also affected by geopolitical dynamics and a constantly evolving macroeconomic scenario. However, such situation might offer significant opportunities, thanks to Fincantieri distinctive competencies in the high value-added shipbuilding industry. The Plan testifies the Group ambition to become a global leader in the development and lifecycle management of green and digital ships for the cruise, defence and energy sectors. Furthermore, thanks to its industrial excellence, it aims at strengthening the international competitive positioning of the Group and of the Italian shipbuilding industry, creating value for the entire supply chain. With this regard, synergies among cruise, defence and offshore businesses will be strengthened benefitting from the green transition and technological innovations. Within the cruise industry, Fincantieri is leader with over 40% of the market share and 120 cruise ships built since 1990, namely over a third of the global fleet. The Group counts 28 ships in portfolio (as of September 30, 2022), with deliveries up to 2028 and has globally leading shipowners among its clients. The next industrial cycle of the sector will factor two drivers: i) the resumption of tourism, after the pandemic, with a clear preference for cruises, at higher levels than 2019, and with new luxury niche operators entering the market, ii) digitalization and green transition, with higher demand for ships equipped with the most innovative technological features and next generation engines. With a long-standing presence in the defence industry, since 1990 the Group has delivered over 130 defence units, of which around 50 to Italy, another 50 to the USA and around 30 vessels to foreign navies. Moreover, Fincantieri is a strategic partner of the Italian Navy, among the most advanced worldwide. It also holds a leading position in the construction of highly technological surface vessels, consolidating the production of new generation submarines, and continuing to demonstrate its ability to meet both national and international clients' requests. Spending for naval vessels is expected to grow in line with global defence budgets, led by Western European and Asia Pacific countries. Strong of its role as system integrator and the existing programs, the Group aims at strengthening its positioning towards globally recognized navies through the development of new projects in foreign accessible markets, such as Asia and the Middle East. Fincantieri continues to be a prime mover in the construction of support vessels for the wind offshore sector, with ten Construction Service Operations Vessels (CSOV) - Service Operation Vessels (SOV) in portfolio, and two cable laying vessels. Furthermore, the development of cutting-edge offshore units, featuring green propulsion and remote-control solutions, is carrying on at full speed to support future offshore operations. Among these, Fincantieri counts 14 marine robotic vessels, designed to use green ammonia as a propeller. The decarbonization together with the higher investments in renewable energy will lead to increased demand for specialized vessels to be deployed in offshore wind farms. Thanks to its know-how and its leadership in the construction of SOV, the Group will seize further opportunities stemming from the rise of total installed capacity expected by 2030 and the additional need for vessels in the wind farms. In order to further strengthen the competitive positioning and distinctiveness in the international shipbuilding industry, the Group identified a set of actions and strategic projects to be carried out in the Plan horizon, with specific focus on human capital, technological enhancement and supply chain.

Utmost focus on core business, naval, cruise, offshore and on backlog execution

- Thorough review and digitalization of shipyards to enhance efficiencies in engineering and production processes.
- Improving competitive positioning in the specialized vessels business to seize opportunities in the fast-moving offshore wind industry.
- De-risking and partnering of the infrastructure business.
- Strengthening the accommodation business to support captive activities and the expansion in non captive markets.
- Supporting suppliers' network through programs to develop further competence.

Expanding service offering in order to maximize operating efficiency throughout the lifecycle of the ship

- Further strengthening the role as digital design authority and complex system integrator, including automation, data management and AI.

Consolidating the competences as platform integrator

- Reinforcing Orizzonte Sistemi Navali know-how to improve combat system integration.

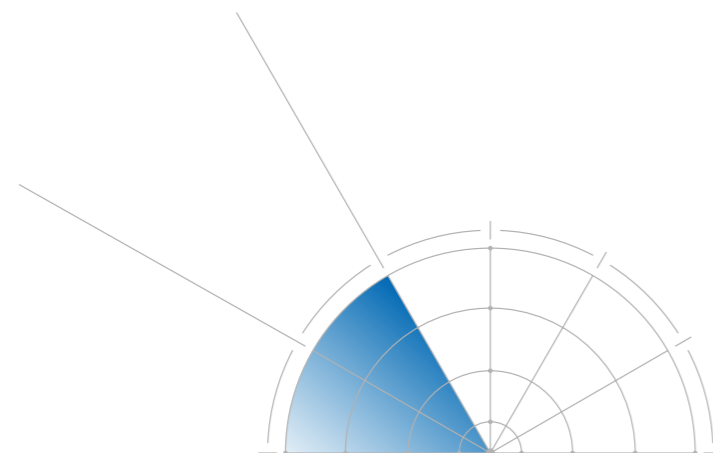
Value creation through constant risk mitigation, close attention to the management of costs and optimization of cash flow dynamics

- Interfunctional and interdivisional approach, spreading procurement best practices.
- Financial discipline, assigning specific and cross functional responsibilities to monitor cost and standardize processes.

Industrial commitment to a sustainable strategy

- Enabling the application of new propulsion technologies (new internal combustion engines and fuel cells) and new fuels (LNG, methanol, ammonia and hydrogen) leveraging on solid in-house skills and production capabilities.
- Identifying a clear sustainability strategy aimed at i) safeguarding competences, enhancing our human capital within an inclusive and international environment, ii) setting a roadmap to address tighter regulations while providing clients with top-notch solutions to reach Net Zero targets, iii) fostering competitiveness, through continuous improvement in efficiency and safety, maintaining top-notch standards in the whole supply chain.

The 2023-2027 Business Plan presentation is available on the Company's website at www.fincantieri.com in the "Investor Relations - Financial Data" section.



The pursuit of sustainable success

For Fincantieri, the responsible and sustainable approach represents a way of doing business based on a logic of creating value over the medium and long term for the Enterprise and all its stakeholders.

Fincantieri is a world leader in shipbuilding, and this position brings with it a responsibility to act sustainably. In fact, the Issuer ensures a combination of competitiveness, environmental sustainability and social responsibility. For this reason, it is continuing on the path to sustainable success by adopting an integrated strategy that combines business growth and financial strength with social and environmental sustainability.

For the Company, sustainability is not just an opportunity, but a true mission to be a model of excellence in the world. For Fincantieri, being sustainable means constantly improving health and safety in the workplace, developing technological innovation, promoting a responsible supply chain, maintaining high levels of customer satisfaction and trust, engaging and supporting local communities, and reducing its environmental impact by contributing to the fight against climate change.

The Company is also committed to contributing to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda for Sustainable Development approved by the General Assembly in 2015. They represent common sustainable development goals for today's complex social challenges. These objectives constitute an important reference point for the international community and for Fincantieri when conducting its business.

Fincantieri's sustainable business model is aimed at creating long-term value for all stakeholders involved in its business. Through governance attentive to sustainability values, a clear definition of material issues and commitments, a risk management system that incorporates ESG (Environmental, Social and Governance) aspects, and the integration of its business strategies with its Sustainability Plan (as defined below), the Company is able to manage its business in a manner that ensures that all resources employed are protected.

As evidence of the Company's commitment and the importance of increasingly integrating sustainability into strategic business decisions, in 2019 Fincantieri joined the United Nations Global Compact, the world's largest global initiative for business sustainability, which includes ten universal principles relating to human rights, labour, the environment and Anticorruption, which promote the values of long-term sustainability through political actions, corporate practices, social and civil behaviour.

Fincantieri prioritises listening to and involving its stakeholders in order to understand their needs, interests and expectations. Stakeholder involvement, through a proactive and multi-channel approach, allows the Group to develop long-term relationships that become a source of competitive advantage.

For stakeholders, the Group identifies the main communication tools, listening channels and frequency of contacts with the aim of gathering their expectations and their needs, as well as communicating the results achieved and the programs promoted by the Group. Responsibility for interactions with the various stakeholders is spread throughout the Group, with specific functions liaising with their individual stakeholder groups on an ongoing basis.

Over time, Fincantieri has initiated and enhanced a process, called materiality analysis, aimed at identifying material sustainability topics, namely, issues that reflect the actual and potential impacts of the company on the economy, environment and people, including their human rights, and that substantially influence stakeholders' assessments and decisions. Based on the results of the analysis, the Company defines the Group's commitments, the Sustainability Plan objectives and the content of the Sustainability Report.

Underlying the Group's ESG identity is a solid and strong desire to be a reference player for all aspects of sustainability. The Group's strategy, which sees it increasingly involved in the energy and digital transition, as well as in addressing new socio-economic changes, is reflected in the objectives of the Business Plan and of the 2023-2027 Sustainability Plan.

With this new strategy, the Group wants to further demonstrate its innovative and responsible nature,

with strong skills that enable it to generate and distribute growing resources for the benefit of all its stakeholders.

To strengthen the Group's and the Italian shipbuilding industry's international competitive position and become a world leader in the construction and whole-life management of digital and green ships for the tourism, defence and energy sectors, Fincantieri has identified five pillars in its 2023-2027 Business Plan, including "Industrial Sustainability".

The 2023-2027 Sustainability Plan has been drafted in line with the strategic directions of the 2023-2027 Business Plan. Specifically, it gives concrete form to the 'Industrial Sustainability' pillar and creates value for all stakeholders, identifying the objectives to be achieved by the Fincantieri Group in the short, medium and long term. In this time of transformation, sustainability is an essential enabling factor that contributes to guaranteeing the Group a high level of resilience and sustainable development.

To respond to socio-economic trends, the 2023-2027 Sustainability Plan has identified three directions for development (namely i) innovation and technological development for the energy and digital transition; ii) protection, inclusion and development of people and communities; and iii) industrial excellence). These represent the Group's strategic vision for sustainability, ensuring that Fincantieri's commitments are met and contribute, specifically, to achieving the nine SDGs of the United Nations, which have been recognised by Fincantieri as relevant to its business and in line with its strategic vision.

In the 2022 Financial Year, Fincantieri was recognized as the "Most Attractive Employer in Italy" in the survey by Universum, a Swedish company that certifies the most attractive companies for university students and professionals, reinforcing its leadership ahead of numerous industrial companies.

Fincantieri won first prize in the Manufacturing, Mechanical and Industrial Engineering sector in the Universum survey dedicated to young STEM professionals (people with a seniority of up to 5 years) and took second place in the ranking dedicated to STEM students.

Fincantieri has received the "Top Employers Italia 2022" certification from the Top Employers Institute, official recognition of corporate excellence in HR policies and strategies and their implementation to contribute to people's wellbeing, to improve the working environment and the world of work.

Fincantieri won the "Special Award for Sustainability Reporting" in the 2022 edition of the Oscar di Bilancio, now in its 58th edition. The award, organized by Ferpi (Italian Public Relations Federation) and promoted with Borsa Italiana and Università Bocconi, recognises the most virtuous companies for their reporting activities and for their attention to stakeholder relations.

In 2022, Fincantieri also consolidated its position as best in class on sustainability issues with the sustainability rating agencies. For the third year running, CDP (formerly the Carbon Disclosure Project) awarded Fincantieri an A- rating (on a scale from D, lowest, to A, highest) for its commitment to fighting climate change, affirming the Group's leadership on this issue as well.

For the second year running, Fincantieri was assessed by Sustainalytics, a Morningstar subsidiary that specializes in evaluating how effectively companies manage Environmental, Social and Governance (ESG) risks. It received a score of 17.3 points in the "Low Risk" band (scale 0 best, >40 worst) compared to 19.7 points in 2021; and it is ranked 11th out of 540 companies evaluated in the Machinery category.

Fincantieri was assessed by S&P Global through the Corporate Sustainability Assessment (CSA) questionnaire in the IEQ Machinery and Electrical Equipment category, obtaining a score of 61/100 on December 16, 2022 (58/100 in 2021).

Fincantieri's Board of Directors plays a guiding role in determining, on the CEO's proposal and with the support of the relevant Board Committees, policies and strategies aimed at achieving sustainable success, setting medium and long term objectives and verifying the results, which are also presented at Shareholders' Meeting.

For more information on the role of the Board of Directors and, in general, on Fincantieri's corporate governance system with a view to creating sustainable value, please see Chapter 2 and, particularly, Sections 2.2 and 2.3 of this Report.

For information on the remuneration policy, the internal control and risk management system and how

they are oriented towards achieving sustainable success, please see Section 2.2.14 and Chapter 3 of this Report and the Remuneration Report published at the same time as this Report on the Company's website www.fincantieri.com in the Section "Governance and Ethics - Remuneration" and the Section "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting 2023".

Starting with the 2017 financial year, Fincantieri has published each year the "Consolidated non-financial statement" (NFD or Sustainability Report) required by Legislative Decree No. 254/2016⁴. The NFD, prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, was approved by the Board of Directors and is subject to a limited review by the company appointed to audit Fincantieri's financial statements (Deloitte & Touche S.p.A.), according to the law and professional standards for assurance engagements on non-financial information (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board for limited assurance engagements.

As at the date of this Report, while not meeting the requirements to qualify as a "large company" under the Code⁵ - since its capitalisation on the last trading day of the 2020 and 2022 financial years was less than EUR 1 billion⁶ - Fincantieri has voluntarily chosen to comply with the Code's recommendations for large companies.

As at the date of this Report, the Company qualifies as a "company with concentrated ownership" under the Code⁷ because Cassa Depositi e Prestiti S.p.A. indirectly holds the majority of the votes that can be cast at ordinary Shareholders' Meeting (for further information, see Sections 1.1 and 1.2 of this Report). The Company does not fall within the definition of an SME under Article 1 (1)(w-*quater*.1) of the Italian Consolidated Law on Finance (TUF)⁸ and Article 2-*ter* of the Consob Issuer Regulations, since for three consecutive years (financial years 2020, 2021 and 2022), the market capitalisation of the Shares exceeded the ceiling of EUR 500 million.

⁴For further details, please see the Sustainability Report published annually on the company website www.fincantieri.com.

⁵According to the Code, a "large company" is defined as: "a company whose capitalisation exceeded EUR 1 billion on the last trading day of each of the three preceding calendar years."

⁶In contrast, the capitalisation was over EUR 1 billion on the last trading day of the 2021 financial year.

⁷In accordance with the Code, a "company with concentrated ownership" is defined as "a company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly (through subsidiaries, trustees or intermediaries), a majority of the votes that can be exercised at an ordinary shareholders' meeting".

⁸Under Article 1 (1)(w-*quater*.1) of the Italian Consolidated Law on Finance (TUF), SMEs are defined as: "without prejudice to other legal provisions, small and medium-sized enterprises, issuers of listed shares with a market capitalisation of less than EUR 500 million. Issuers of listed shares that have exceeded this limit for three consecutive years are not considered SMEs."



Information on ownership structure

1. Ownership structure

1.1 Share capital structure

The Company's capital consists exclusively of ordinary shares with no par value.

The shares are registered, indivisible and each share entitles the holder to one vote. The shares are freely transferable.

As at 31 December 2022, Fincantieri's share capital amounted to Euro 862,980,725.70, divided into 1,699,651,360 shares. This information is also correct as at the date of this Report (for further information, see Sections 1.2 and 1.7 below). Since 3 July 2014, the Company's shares have been listed on the Euronext Milan (EXM) market (formerly the Electronic Stock Market - MTA) organized and managed by Borsa Italiana.

There are no other types of shares (preference, multi-voting, savings, convertible, or any others) with or without voting rights, nor are there any convertible bonds or warrants, issued by the Company, that grant the right to subscribe newly issued shares.

As at 31 December 2022 and the date of this Report, the Company held 1,128,666 treasury shares, corresponding to 0.07% of the share capital.

The Shareholders' Meeting held on 11 May 2018 and 8 April 2021 approved share-based incentive plans called, respectively, "Performance Share Plan 2019-2021" and "Performance Share Plan 2022-2024", which provide for the free assignment, upon the occurrence of specific conditions, of Company shares in favour of persons identified by the Board of Directors from among the Chairman (where he receives executive powers), the Chief Executive Officer and certain categories of employees.

For more information on the two plans, please see the Disclosure Documents prepared in accordance with Article 114-bis of the Italian Consolidated Law on Finance (TUF) and Article 84-bis of the Consob Issuer Regulations, available on the Company's website at www.fincantieri.com in the section on Shareholders' Meetings ("Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting Archive - Shareholders' Meeting 2018" and "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting Archive - Shareholders' Meeting 2021").

1.2 Significant Shareholdings, Shareholders' Agreements and management and coordination

Fincantieri's shareholders' register, reports to Consob received by the Company and other information available to the Company indicate that, as at the date of this Report, the only entity that holds more than 3% of Fincantieri's share capital is the controlling shareholder, Cassa Depositi e Prestiti S.p.A. (a subsidiary of the Ministry of Economy and Finance), which indirectly holds 71.32% of the Issuer's share capital through its subsidiary CDP Equity S.p.A. ("CDP Equity").

MAIN SHAREHOLDERS		NO. OF ORDINARY SHARES/VOTING RIGHTS	% OF SHARE CAPITAL FINCANTIERI
Indirect	Direct		
Cassa Depositi e Prestiti S.p.A.	CDP Equity S.p.A.	1,212,163,614	71.32

As of the date of this Report, Fincantieri is not aware of any shareholders' agreements in accordance with Article 122 of the Italian Consolidated Law on Finance (TUF) involving the Company's shares.

The By-laws do not envisage the possibility of an increase in voting rights.

The Company is not subject to the exercise of management and coordination activities in accordance with Article 2497 and following of the Italian Civil Code by CDP Equity.

Fincantieri: i) operates independently with regard to how arrangements with customers and suppliers are conducted without any external intervention; ii) independently prepares the strategic, industrial and financial plans and/or budgets of the Company or the Group; iii) is not subject to regulations issued by CDP Equity; iv) does not have treasury agreements with CDP Equity, nor has it entrusted to CDP Equity financial assistance or coordination functions; and v) does not receive directives or instructions from CDP Equity on financial and credit matters or on the performance of extraordinary transactions or operating strategies.

1.3 Limits on shareholdings, restrictions on transfer and voting rights of shares

Article 6-bis of the By-laws provides that, under Article 3 of Decree-Law No. 332 of 31 May 1994, converted with amendments into Law No. 474 of 30 July 1994 ("Law on Privatisations"), no entity - other than the Italian State, public bodies or entities controlled by the latter - may hold shares of Fincantieri on any basis whatsoever representing more than 5% of the share capital, unless provided for by applicable legislative and regulatory provisions.

This equity interest ceiling is also calculated by taking into account the overall shareholding held by the parent company, whether it be a natural or legal person or entity, by all direct and indirect subsidiaries, as well as companies controlled by a single controlling entity, by affiliate entities and also natural persons who are associated by family or kinship relations up to the second degree or by marriage, provided that the spouse in question is not legally separated. In calculating the abovementioned 5% ceiling, account is also taken of shares held through trust companies and/or indirectly through intermediaries in general.

Voting rights and other rights unrelated to economic rights may not be exercised for shares held over and above this 5% limit, and the voting rights that would be exercisable by each of the parties subject to the shareholding ceiling shall be proportionately reduced, unless otherwise collectively indicated by the shareholders concerned. If the above rules are infringed, the Shareholders' Meeting resolution may be challenged under Article 2377 of the Italian Civil Code if the required majority would not have been achieved without the votes that exceeded the maximum ceiling. Shares for which the voting rights may not be exercised are still considered, however, for purposes of determining whether the Shareholders' Meeting was duly constituted.

However, the Law on Privatisations dictates that the By-laws clause that limits shareholdings and voting rights will not apply if the 5% limit is exceeded following a public tender offer as a result of which the offeror acquires an equity interest amounting to at least 75% of the share capital with rights to vote on resolutions related to the appointment or removal of Directors.

1.4 Special powers of the Italian State

Based on its business, the Company is subject to Article 1 of Decree-Law No. 21 of 15 March 2012 ("Decree-Law No. 21/2012"), converted, with amendments, by Italian Law No. 56 of 11 May 2012 ("Italian Law 56/2012"), as amended, on the State's special powers concerning defence and national security ("golden powers").

Specifically, Article 1 of Decree-Law No. 21/2012 provides that, for companies engaged in "activities of strategic importance for the national defence and security system", in the event of a serious threat to essential national defence and security interests and irrespective of any relevant provisions in the Company's By-laws⁹, the Italian State may:

- impose specific conditions relating to the security of procurements, of information, transfers of technology and export controls where shareholdings are purchased (on any basis whatsoever) in enterprises that engage in business operations of strategic importance to the national defence and security system;
- veto the adoption of resolutions or transactions at Shareholders' Meeting or management bodies of an enterprise referred to in letter a) related to the Company's merger or demerger, transfer of the Company or its units or its subsidiaries, transfer of the Company's headquarters abroad, modification of the corporate purpose, dissolution of the Company, amendment of provisions of the Company's By-laws adopted pursuant to Article 2351, paragraph 3 of the Italian Civil Code or introduced pursuant to Article 3, paragraph 1 of

⁹These powers are exercised by Decree of the President of the Council of Ministers issued based on a resolution of the Council of Ministers, an excerpt of which is to be sent promptly to the competent Parliamentary Commissions.

Decree-Law No. 332 of 31 May 1994,¹⁰ converted, with amendments, by Law No. 474 of 30 July 1994, sale of in rem rights or rights of use related to tangible or intangible assets or acceptance of constraints on their use, also due to the subjection of the Company to insolvency proceedings; and

- c) oppose the purchase, for any reason whatsoever, of stocks in a company referred to in letter (a) by an entity other than the Italian State, by Italian public bodies or by entities controlled by the latter, if the purchaser comes to hold, directly or indirectly, including through successive acquisitions, through intermediaries or through otherwise affiliated entities, equity interests with voting rights to an extent that could compromise national defence and security interests in specific cases. To this end, the above rules apply to any shareholding held by third parties with whom the purchaser has entered into any of the agreements referred to in Article 122 of the Italian Consolidated Law on Finance (TUF) or those referred to in Article 2341-*bis* of the Italian Civil Code¹¹.

In implementing Decree-Law No. 21/2012, "activities of strategic importance for the national defence and security system" were identified by Decree of the President of the Council of Ministers No. 253 of 30 November 2012, ("D.P.C.M. No. 253/2012"), subsequently repealed and replaced by Decree of the President of the Council of Ministers of 6 June 2014, No. 108 ("D.P.C.M. No. 108/2014").

1.4.1 The Italian State's veto power over certain corporate resolutions

As described above, the Italian State has a veto power over resolutions, acts or transactions adopted by Fincantieri Shareholders' Meeting or by its Board of Directors, in the areas referred to in Article 1(1)(b) of Decree-Law No. 21/2012 (see point b) of Section 1.4 above).

The Italian government, in assessing the possibility that key defence and national security interests could be adversely affected as a result of such resolutions, acts or transactions referred to in Article 1(1)(b) of Decree-Law No. 21/2012, takes into account – while also considering the subject matter of the resolution, act or transaction – the strategic importance of the assets or enterprises being transferred, the ability of the structure that results from the resolution, from the act or from the transaction to guarantee the integrity of the national defence and national security system, the security of military defence information, the State's international interests, the protection of the national territory, critical and strategic infrastructures and borders, as well as any other elements that need to be evaluated in the event that equity interests are purchased in the situations referred to in Section 1.4.2 below. In accordance with Article 1(4) of Decree-Law No. 21/2012, for the purposes of the potential exercise of the veto power, Fincantieri shall provide the President of the Council of Ministers with complete information on the resolution, act or transaction to be adopted – prior to adopting a resolution or act or transaction on the abovementioned matters – and the Prime Minister will take any necessary decisions and notify them to Fincantieri in accordance with the procedures and deadlines envisaged by Decree-Law No. 21/2012 and Presidential Decree No. 35 of 19 February 2014 ("D.P.R. No. 35/2014").

The President of the Council of Ministers gives notice of any veto within 45 business days of the notification (subject to any suspension of the deadline for informational or investigative requests in accordance with Article 1(4) of Decree-Law No. 21/2012).

If those deadlines lapse without a veto, the transaction may be carried out. The veto power under Article 1(4) of Decree-Law No. 21/2012 may be exercised by imposing specific requirements or conditions in situations where this is sufficient to ensure that essential national defence and security interests are protected.

Resolutions or actions adopted in breach of the abovementioned veto power are null and void. The Government may also require the Company and the counterparty in question to restore the status quo ante at their expense.

Unless the conduct constitutes a criminal offence, Decree-Law No. 21/2012 imposes administrative fines of up to twice the value of the transaction, and, in any case, not less than 1% of the accumulated turnover generated by the companies involved in the most recent financial year for which the financial statements have been approved, on anyone who fails to comply with the obligations, including those deriving from the measure exercising the power

referred to Article 1(1)(b) of Decree-Law No. 21/2012, possibly exercised in the form of the imposition of specific requirements or conditions.

1.4.2 Power of the Italian State to impose conditions or oppose the purchase of shares in the Company

In accordance with Article 1 (5) of Decree-Law No. 21/2012, anyone – with the exception of the Italian State, Italian public bodies or entities controlled by them – that acquires a shareholding in the Company that exceeds the threshold provided under Article 120 (2) of the Italian Consolidated Law on Finance (TUF), or a shareholding exceeding the 3%, 5%, 10%, 15%, 20%, 25% and 50% thresholds, shall, within ten days of the aforesaid acquisition, notify the President of the Council of Ministers of the same, at the same time transmitting the necessary information, including a general description of the proposed acquisition project, the purchaser and its area of operations, for the assessments referred to in Article 1 (3) of Decree-Law No. 21/2012. Following such notification, the Italian State may impose specific conditions in accordance with Article 1 (1)(a) of Decree-Law No. 21/2012 (see point a) of Section 1.4 above), or oppose the acquisition of the shareholding in accordance with Article 1 (1)(c) of Decree-Law No. 21/2012 (see Section 1.4 above), if it considers that the State's key national defence and national security interests are adversely affected as a result of such acquisition.

In accordance with Article 1 (3) of Decree-Law No. 21/2012, to assess the likelihood that the State's key national defence and national security interest will be adversely affected as a result of the acquisition of the shareholding referred to in Article 1 (1)(a) and (c) of Decree-Law No. 21/2012, the Government will consider the following, based on principles of proportionality and reasonableness and considering the purchaser's potential influence over the Company, also by virtue of the size of the shareholding acquired:

- a) the adequacy (also considering the manner in which the acquisition is financed) of the purchaser's economic, financial, technical and organizational capabilities and the industrial plan, related to the regular continuance of operations, to ensure the maintenance of technological assets, including key strategic assets, the security and continuity of procurements, as well as the prompt implementation of the contractual obligations of the company, whose shareholding is being acquired, entered into with public and government authorities, whether directly or indirectly, specifically in relation to obligations associated with national defence, public order and national security; and
- b) the existence (taking due account of the official positions of the European Union) of objective reasons that suggest that links exist between the purchaser and third countries that do not recognise principles of democracy or the rule of law, or do not honour rules of international law or have engaged in behaviour threatening to the international community inferable from the nature of their alliances, or have dealings with criminal or terrorist organizations or with persons or entities related to such organizations¹².

The President of the Council of Ministers' decisions on the possible imposition of conditions or the exercise of the power of opposition are notified to the purchaser thereof within forty-five business days from the notification (or a different term as indicated in Article 1 (5) of Decree-Law No. 21/2012).

Up to the notification and, in any case, until the expiry of the deadline for the imposition of conditions or for the exercise of the power of opposition, voting rights and rights unrelated to economic rights associated with the shares representing the relevant shareholding, are suspended.

If the President of the Council of Ministers exercises the power to impose conditions, and if the conditions imposed upon the purchaser are infringed or not complied with (and for as long as any infringement or non-compliance continues), the voting rights and rights unrelated to economic rights associated with the shares representing the relevant equity interest are suspended.

Any resolutions adopted with the casting vote of such shares, as well as resolutions, agreements or actions adopted in breach of the condition imposed, shall be null and void.

¹⁰ As most recently amended in accordance with Article 3 of Decree-Law No. 21/2012.

¹¹ Paragraph 1-*bis* of Article 1 of Decree-Law No. 21/2012 also provides that "The decrees referred to in paragraph 1 [...] shall establish the types of actions or transactions within the same group to which the rules of this Article shall not apply".

¹² Further specific aspects of the situation where a non-EU person is acquiring the equity interest are governed by Article 1 (3-*bis*) of Decree-Law No. 21/2012, introduced by Decree-Law No. 105 of 21 September 2019, converted, with amendments, by Law No. 133 of 18 November 2019.

A purchaser failing to honour the conditions imposed will – unless the conduct constitutes a criminal offence – be fined an amount equal to twice the value of the transaction, but no less than 1% of the turnover generated in the most recent financial year for which the financial statements were approved.

Unless the fact constitutes a crime, and without prejudice to the invalidity provided for by law, anyone who fails to comply with the notification obligations set out in Article 1 of Decree-Law No. 21/2012 shall be fined of up to twice the value of the transaction and, in any case, not less than 1% of the cumulative turnover generated by the companies involved in the last financial year for which the financial statements were approved.

If the power to oppose the shareholder's acquisition is exercised, the purchaser may not exercise the voting rights or rights other than property rights, related to the shares representing the shareholder in question, and will be obligated to transfer such shares within one year. If this requirement is infringed, the Court, at the request of the President of the Council of Ministers, will order the shareholding in question to be sold in accordance with the procedures envisaged by Article 2359-ter of the Italian Civil Code. Any Shareholders' Meeting resolutions adopted with the casting vote of such shares are null and void.

Therefore, without prejudice to the mandatory ceilings on shareholdings envisaged by Article 6-bis of the Company's By-laws (see Section 1.3 above), any party – with the exception of the Italian State, Italian public bodies or entities controlled by them – acquiring shareholdings that exceed the thresholds provided for by Article 1 (5) of Decree-Law No. 21/2012, will be subject to the procedure of notification to the President of the Council of Ministers to enable the Italian State to exercise its special powers, and this may in specific circumstances lead to the State imposing conditions on or opposing the acquisition of corporate shareholdings in the Company by third parties.

It should be noted, moreover, that under Article 3 (1) of Decree-Law No. 21/2012, subject to the power to oppose the acquisition (referred to Article 1 (1)(c) of Decree-Law No. 21/2012), any type of acquisition by a non-EU party¹³ of shareholdings in Fincantieri is permitted on condition of reciprocity, in accordance with the international agreements signed by Italy or the European Union¹⁴.

1.5 Shares held by employees: mechanisms for exercising voting rights

Under Article 137 (3) of the Italian Consolidated Law on Finance (TUF), the By-laws of listed companies may contain provisions aimed to facilitate proxy voting by shareholders who are employees.

In accordance with the foregoing, Article 15.3 of Fincantieri's By-laws, to facilitate collecting proxies from shareholders who are employees of the Company and its subsidiaries and members of Shareholders' associations that satisfy the requirements of applicable regulatory provisions, spaces to be used for communication and for collecting proxies should be made available to such associations of shareholders, according to the terms and procedures agreed at any time with their legal representatives.

As of the date of this Report, the Company has not been notified of the establishment of any association of employee shareholders.

In relation to employee shareholdings, note that the Shareholders' Meeting on 11 May 2018 and 8 April 2021 approved share incentive plans called, respectively, "Performance Share Plan 2019-2021" and "Performance Share Plan 2022-2024", which provide for the free allocation of Company shares to certain persons identified by the Board of Directors including the Chairman (where he receives executive powers), the Chief Executive Officer, and certain categories of employees.

On 11 May 2018, the extraordinary Shareholders' Meeting authorised the issue, also in several tranches, by the deadline of 31 December 2024, of a maximum of 25,000,000 new ordinary shares, with no par value, having the same characteristics as the outstanding ordinary shares, to service the incentive plan called "Performance Share Plan 2019-2021", to be allocated free of charge, in accordance with Article 2349 of the Italian Civil Code, to the beneficiaries of the plan, without increasing the share capital. As at 31 December 2022 and the date of this Report, no shares had been issued in execution of the aforementioned resolution of the extraordinary Shareholders' Meeting.

On 30 June 2022, Fincantieri assigned 6,818,769 of its treasury shares free of charge to the beneficiaries of the

first cycle of the "Performance Share Plan 2019-2021", without therefore resorting to the issue of new shares. The plans do not limit the exercise of voting rights for shares granted.

For further information on these plans, please see the Informational Documents prepared in accordance with Article 114-bis of the Italian Consolidated Law on Finance (TUF) and Article 84-bis of the Consob Issuers' Regulations, available on the Company's website at www.fincantieri.com, in the section on Shareholders' Meetings ("Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting Archive - Shareholders' Meeting 2018" and "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting Archive - Shareholders' Meeting 2021").

1.6 Appointment and replacement of Directors and amendments to the By-laws

The laws and provisions of the Company's By-laws that govern the appointment and replacement of the Company's Directors are described in Section 2.2.4 of this Report.

Amendments to the By-laws are adopted by the extraordinary Shareholders' Meeting, observing the quorums envisaged by applicable rules. For more information, please see Section 2.1 of this Report.

Subject to the foregoing, Article 25.3 of the By-laws empowers the Board of Directors, under Article 2365 of the Italian Civil Code:

- to adopt resolutions relating to mergers and demergers in the cases envisaged by law;
- to establish or close secondary offices;
- to indicate which Directors are authorised to represent the Company;
- to reduce the share capital in the event that one or more shareholders withdraws from the Company;
- to adjust the By-laws to ensure compliance with applicable regulatory provisions; and
- to transfer the corporate registered office within Italy.



¹³ For the definition of a non-EU person, see Article 2 (5-bis) of Decree-Law No. 21/2012.

¹⁴ For any matters not expressly indicated in the preceding Sections on golden power, see the amended version of Italian Decree-Law No. 21/2012.

1.7 Authorisations to increase the share capital and issue equity securities or purchase treasury shares

As at the date of this Report, the Board of Directors has not been given any power to increase the share capital, pursuant to Article 2443 of the Italian Civil Code.

On 11 May 2018, the extraordinary Shareholders' Meeting authorised the issue, also in several tranches, by the deadline of 31 December 2024, of a maximum of 25,000,000 new ordinary shares, with no nominal value, having the same characteristics as the outstanding ordinary shares, to service the incentive plan called "Performance Share Plan 2019-2021", to be allocated free of charge, in accordance with Article 2349 of the Italian Civil Code, to the beneficiaries of the plan, without increasing the share capital.

As at 31 December 2022 and the date of this Report, no ordinary shares have been issued to service the incentive plan called "Performance Share Plan 2019-2021" in execution of the aforementioned resolution of the extraordinary Shareholders' Meeting.

The ordinary Shareholders' Meeting of 16 May 2022, after revoking the previous authorisation granted by the Shareholders' Meeting of 8 April 2021, authorised the Board of Directors, in accordance with Article 2357 of the Italian Civil Code, to purchase and dispose of treasury shares for the purposes, within the limits and under the conditions set forth in the Board of Directors' illustrative report available on the Company's website at www.fincantieri.com, in the "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting Archive - Shareholders' Meeting 2022" section.



In accordance with and in compliance with the aforementioned resolution, during the period between 15 June 2022 and 23 June 2022, the Company purchased 2,000,000 treasury shares, equal to approximately 0.12% of the share capital, to service the incentive plan called "Performance Share Plan 2019-2021".

Further authorisation will be submitted to the Shareholders' Meeting called to approve the financial statements for the 2022 Financial Year, subject to the revocation of the authorisation granted by the Shareholders' Meeting of 2022, for the purposes, within the limits and under the conditions described in the Board of Directors' explanatory report available on the Company's website at www.fincantieri.com, in the Section "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting 2023".

The company held 1,128,666 treasury shares at the end of the Financial Year, equal to 0.07% of the share capital.

1.8 Change of control clauses

With regard to significant agreements to which Fincantieri or its subsidiaries are party as at 31 December 2022 that are subject to conditions precedent of effectiveness, modification or termination in the event of a change of control of Fincantieri, the following are noted:

A) Construction Financing

On 20 December 2021, a pool of banks consisting of Intesa Sanpaolo S.p.A. and Cassa Depositi e Prestiti S.p.A., with Intesa Sanpaolo S.p.A. as agent, granted Fincantieri a short-term secured credit facility with a duration of approximately 18 months, expiring on 19 June 2023, for a maximum amount of EUR 300 million, to be used for work listed in the progress status reports and intended to finance the working capital requirements that may arise in the last months of constructing cruise ship No. 6308 for shipowner O Class Plus One, LLC, worth EUR 645 million and with delivery scheduled in April 2023.

On 30 June 2022, a pool of banks consisting of BPER Banca S.p.A. and Unicredit S.p.A., with BPER Banca S.p.A. as agent, granted Fincantieri a short-term secured credit facility with a duration of approximately 15 months, expiring on 30 September 2023, for a maximum amount of EUR 200 million, to be used for work listed in the progress status reports and intended to finance the working capital requirements that may arise in the last months of constructing cruise ship No. 6319 for the shipowner Compania Naviera YC 1 S.A., worth EUR 479 million and with delivery scheduled in June 2023.

On 18 July 2022, a pool of banks consisting of Intesa Sanpaolo S.p.A. and Cassa Depositi e Prestiti S.p.A., with Intesa Sanpaolo S.p.A. as agent, granted Fincantieri a short-term secured credit facility with a duration of approximately 14 months, and expiring on 30 September 2023, for a maximum amount of EUR 400 million, to be used for work listed in the progress status reports and intended to finance the working capital requirements that may arise in the last months of constructing cruise ship No. 6299 for the shipowner Leonardo Two, Ltd. worth EUR 1,032 million and with delivery scheduled in August 2023.

The contracts relative to construction financing cited above all have the same definition of "change of control", understood as the event or circumstance in which one or more parties other than the Italian Republic, Ministers of the same and/or authorities or companies directly or indirectly controlled by the Italian Republic or its Ministers, have the power to (a) exercise or control the exercise of more than half of the votes that can be cast at Fincantieri's ordinary Shareholders' Meeting; (b) appoint or remove (as a result of exercising dominant influence under Article 2359 (1)(2 and 3) of the Italian Civil Code or otherwise), all or a majority of the members of Fincantieri's Board of Directors; or (c) issue binding instructions to Fincantieri's Board of Directors with reference to financial and operational guidelines and policy.

Under this loan, the lenders are entitled, in the event of change of control, to request the total repayment of the loan amount used.

In the event of a change of control a period of fifteen business days of consultation is provided for in which the banks and Fincantieri may arrange for the continuation of the relationship. After fifteen days without an agreement, the banks will be entitled to cancel the credit line granted and request the early repayment of any amounts disbursed, including interest and other costs and expenses provided for.

B) Receivables purchase agreement and revolving construction financing

On 18 November 2019, Fincantieri, BNP Paribas – Italian Branch – Milan and Intesa Sanpaolo S.p.A. entered into a Receivables Purchase Agreement aimed at allowing the assignment, subject to final payment, of the flows to Fincantieri arising from cruise ship construction agreements.

The uncommitted agreement provides for a maximum amount of EUR 300 million, divided equally between the two lending banks

In the agreement, similarly to what is outlined in the construction financing agreements discussed in paragraph A) above, a change of control is defined as the event or circumstance where one or more parties, other than the Italian Republic (or a Ministry) and/or any other companies directly or indirectly controlled thereby or by its Ministries (“Qualified Italian Owner”), acting in concert with one another in the case of a corporation or a partnership, will hold i) the power to (a) exercise or control the exercise of more than half of the votes that could be cast at the ordinary Shareholders’ Meeting of Fincantieri, (b) appoint or remove (as a result of exercising dominant influence under Article 2359 (1)(2 and 3) of the Italian Civil Code), all or a majority of the members of Fincantieri’s Board of Directors, or (c) issue binding instructions to Fincantieri’s Board of Directors concerning financial and operational guidelines and policy; or ii) exercise a dominant influence under Article 2359 (1)(2 and 3), of the Italian Civil Code on Fincantieri or on its parent company.

However, cases are not considered a change of control where, as a result of a reorganization, Fincantieri becomes, directly or indirectly, jointly owned by a Qualified Italian Owner and by a similar public body of Germany, France, Norway, Spain, the Netherlands, Finland or the United Kingdom or another foreign government agency approved by the lending bank (a “Qualified non-Italian Owner”), provided that the financial and operational strategic decisions are taken with the Qualified Italian Owner’s consent. The very broad scope of clause is due to the fact that the agreement is a framework agreement without a pre-established expiry, and to the impossibility of anticipating political agreements that could result, in the future, in companies controlled by some western States entering Fincantieri’s capital. In these hypothetical situations, the above agreements may be put in place without the lender being able to request the mandatory early repayment of the loan.

In the event of a change of control, similarly to the construction financing contracts discussed in point A), there will be a period of thirty days of consultation where the bank and Fincantieri may arrange for the continuation of the relationship.

After thirty days without an agreement having been reached, the lending banks are entitled to consider the agreement terminated, in which case the credit facility granted would be cancelled and Fincantieri would be required to repay any amounts disbursed in advance, including interest and any other costs and expenses provided for.

On 24 June 2022, an agreement was signed between Fincantieri and Intesa Sanpaolo S.p.A., aimed at enabling the financing of the construction of the cruise ships in the portfolio through the granting of a first mortgage as guarantee by the financing bank.

The committed agreement provides for a maximum amount of EUR 500 million and expires on 24 June 2025.

Under this loan, the lender is entitled, in the event of a change of control, to demand early repayment in full of the loan amount used.

The agreement defines a change of control as an event or circumstance in which one or more parties other than the Italian Republic, its Ministries and/or entities or companies directly or indirectly controlled by the Italian Republic or its Ministries, come to hold the power to: (a) exercise or control the exercise of more than half of the votes that can be cast at the Fincantieri ordinary Shareholders’ Meeting or (b) appoint or remove (as a result of exercising dominant influence in accordance with of Article 2359 (1)(2 and 3), of the Italian Civil Code or otherwise) all or a majority of the members of the Fincantieri Board of Directors; or (c) issue binding instructions to the Fincantieri Board of Directors regarding financial and operational guidelines and policy.

In the event of a change control, a period of fifteen business days is provided for consultation during which the bank and Fincantieri may agree to continue the arrangement. If no agreement has been reached within fifteen business days, the bank will be entitled to cancel the credit facility. In that event, Fincantieri would be obligated to repay all amounts disbursed, including interest accrued up to that moment, as well as any other charges provided for.

C) Revolving Credit Facilities

As at 31 December 2022, there was a committed revolving credit facility (“RCF”) granted by Banco BPM Milano S.p.A. on 30 March 2021 with a term of 36 months (expiring on 29 March 2024) for a maximum amount of EUR 100 million.

Fincantieri took out this credit facility to meet its general financial needs, including those related to carrying out its current activities.

The facility may be used in one or more payments within the FCR’s validity period and each use may last, at Fincantieri’s choice, for one or more weeks or one or more months (up to six maximum). On the expiration of the chosen period, the amounts used must be repaid with interest accrued and they may be reused again until the final expiry date.

There is a change of control clause in the agreement which, if triggered, could allow the lending bank to request the total repayment of the loan amount used.

Specifically, the change of control is defined as the event or circumstance caused by one or more entities other than the Italian Republic or its Ministers and/or entities or companies directly or indirectly controlled by the same or its Ministers acting in concert to result in holding: i) the power to (a) exercise or control the exercise of more than half the votes that can be expressed at the Fincantieri ordinary Shareholders’ Meeting or (b) to appoint or remove (as a result of exercising dominant influence according to Article 2359 (1)(2 and 3) of the Italian Civil Code) all or the majority of the members of Fincantieri’s Board of Directors or (c) issue binding instructions to the Fincantieri Board of Directors with reference to operational and financial guidelines and policy; or ii) the ability to exercise dominant over Fincantieri or Fincantieri’s parent company under Article 2359 (1)(2 and 3) of the Italian Civil Code. The clause provides for a period (fifteen to thirty working days) during which the parties may discuss potentially adopting the contractual amendments necessary to maintain the RCF.

In case of failure to reach an agreement in this regard, the financing bank will have the option of cancelling the credit facility and requesting that Fincantieri repay in advance all the amounts used, plus interest accrued, other costs and any other amounts due.

D) Medium/long-term financing, “Liquidity Decree” and “Internationalisation Financing”

Among the medium/long-term loans outstanding as of 31 December 2022, the following contracts are considered significant, entered into with:

- Banca Nazionale del Lavoro S.p.A. as of 25 July 2018 with a 5-year term (expiring on 25 July 2023) for EUR 100 million disbursed on 27 July 2018 and to be repaid in a single instalment on the expiry date;
- Intesa Sanpaolo S.p.A. on 30 July 2018 with a 5-year term (expiring on 30 July 2023) for EUR 100 million disbursed on 1 August 2018 and to be repaid in a single instalment on the expiry date;
- Pool of banks consisting of BNP Paribas, Italian Branch, Unicredit S.p.A., Banca Nazionale del Lavoro S.p.A., Banca Popolare di Sondrio S.C.p.A., Banco BPM S.p.A., BPER Banca S.p.A., Bayerische Landesbank and Intesa Sanpaolo S.p.A. (formerly Unione di Banche Italiane S.p.A.) with BNP Paribas, Italian Branch as Agent on 30 September 2020 with a 4-year maturity (expiring on 30 September 2024) for a total of EUR 1,150 million disbursed on 2 October 2020; a pre-amortisation period of two years is provided for and constant repayments over the following two years in six quarterly instalments. This loan is covered by the “Liquidity Decree” (Decree-Law No. 23/2020) under which the banks in the pool benefit from a SACE S.p.A. guarantee (counter-guaranteed by the Italian State) for 70% of the total amount;

- BPER Banca S.p.A. on 24 June 2022 with a duration of about four years (expiring on 30 June 2026) for EUR 150 million disbursed on 24 June 2022 and to be repaid in two instalments on 30 June 2025 and on the expiry date;
- Unicredit S.p.A. on 29 June 2022 with a maximum term of about three years (expiring on 27 June 2025) for EUR 100 million disbursed on 30 June 2022 and to be repaid in a single instalment on the expiry date by exercising the extension clause by May 2023;
- Intesa Sanpaolo S.p.A. on 29 July 2022 with a duration of 12 years (expiring 28 July 2034) for an amount of EUR 150 million disbursed on 5 August 2022 and to be repaid, after a pre-amortisation period of 2 years, in 20 constant half-yearly instalments. This loan comes within the scope of "Internationalization Financing" (Decree-Law No. 23/2020) under which the bank benefits from a SACE S.p.A. guarantee (counter-guaranteed by the Italian State) for 70% of the total amount.

Both the medium/long-term financing and the loans obtained under the "Liquidity Decree" and "Internationalization Financing" contain change of control clauses that, if triggered, could allow the lenders to cancel the relevant credit facility and, consequently, require the early repayment of the amount disbursed plus accrued interest and any costs and charges provided for.

These clauses are the same as those provided for in the RCFs, and also in these cases there is a period (fifteen to forty-five working days depending on the contract) during which the parties can discuss the possible adoption of contractual amendments necessary to maintain the loan.

E) Guarantee Issuance and Indemnity Agreement - Qatar

On 12 July 2017, a Guarantee Issuance and Indemnity Agreement was signed between Fincantieri, Unicredit S.p.A., SACE S.p.A., Intesa Sanpaolo S.p.A. and Deutsche Bank S.p.A. to allow the issue of the guarantees provided for in agreement N GHQ/3/CA/003/16 dated 16 June 2016 between Qatar's Armed Forces and Fincantieri for a maximum credit facility of EUR 1,140 million (currently EUR 626.050 million) expiring on 14 January 2025.

The agreement serves as a credit line and indemnity document for all guarantees issued by UniCredit S.p.A. and counter-guaranteed by SACE S.p.A. for EUR 380 million (currently EUR 208.683 million), Intesa Sanpaolo S.p.A. for EUR 285 million (currently EUR 156.513 million) and Deutsche Bank S.p.A. for EUR 95 million (currently EUR 52.171 million), distributed in proportion to the value of the same guarantees.

Under this agreement, in the event of a change of control, after a negotiation period intended to maintain the agreements unchanged, the banks are entitled to demand that Fincantieri, within thirty business days: i) release them from their commitment by cancelling the guarantees issued; or, if this is not possible ii) provide a counter-guarantee; or if this is not possible iii) make available an escrow deposit to cover the amounts still guaranteed.

F) Establishment of the joint venture in China - CSSC - Fincantieri Cruise Industry Development Ltd.

On 4 July 2016, a joint venture agreement was signed for the establishment in Hong Kong of CSSC - Fincantieri Cruise Industry Development Ltd. (the "JVPC"), with Fincantieri (40%) and CSSC Cruise Technology Development Co. Ltd. (60%) as shareholders, for the design, development, marketing and sale of cruise ships for the Chinese market to be built at one of the shipyards of CSSC Cruise Technology Development Co. Ltd. ("CSSC").

On 17 July 2017, after meeting the relevant conditions precedent, the agreement became enforceable.

The agreement envisages a change of control clause, under which, in the event that a transaction on Fincantieri's shareholding results in a change of control in favour of a competitor that designs and develops or constructs cruise ships in Asia (as defined in the agreement): i) the other shareholder may exercise the option to acquire the shares of the "Defaulting Shareholder" and require it to sell them, or ii) the company will be wound up.

A further consequence of the change of control will be to terminate: i) the Technology License and Consultancy Services Agreement between Fincantieri and the JVPC, and ii) the Technology Licence and Consultancy Services Agreement and the Supply Chain Management Services Agreement between Fincantieri and Shanghai Waigaoqiao Shipbuilding Co. Ltd., the local shipbuilder chosen by CSSC to construct the cruise ships covered by the joint venture.

G) Contract concerning the subsidiary Fincantieri Infrastruttura Opere Marittime S.p.A.

Fincantieri Infrastruttura Opere Marittime S.p.A. ("FIOM") was incorporated on 17 December 2019 by Fincantieri Infrastruttura S.p.A., which wholly owns its share capital.

On 12 October 2022, FIOM, in a consortium with Webuild S.p.A., Fincosit S.r.l. and Società Italiana Dragaggi S.p.A., was awarded the tender for the construction of the new breakwater for the port of Genoa.

After the award, on 23 November 2022, FIOM formed the Consorzio PerGenova Breakwater with the aforementioned companies, whose by-laws include a change of control clause in accordance with which there is an obligation for FIOM to communicate the change of control to the other consortium members and, if the control of FIOM is acquired by a company competing with the objective of the Consortium or that risks incurring disqualification from participation in the tender procedures provided for by the "Public Contracts Code" (Legislative Decree No. 50/2016), FIOM may be excluded from the Consortium.

Moreover, the contract for the execution of the works covered by the tender entered into on the same date by Consorzio PerGenova Breakwater with the extraordinary commissioner includes an obligation for the contractor to notify the extraordinary commissioner of the change of control within ten days of the change.

H) Contract concerning the subsidiary Fincantieri Infrastrutture Sociali S.p.A.

Fincantieri Infrastrutture Sociali S.p.A. ("FINSO") was incorporated as a limited liability company on 18 December 2020 by Fincantieri Infrastruttura S.p.A. (with a 90% share) and Sviluppo Imprese Centro Italia Società di Gestione del Risparmio S.p.A. (with a 10% share). On 1 June 2021, FINSO completed the acquisition of the Core and Vimercate business units from INSO Sistemi per le Infrastrutture Sociali S.p.A. in Amministrazione Straordinaria ("INSO"). Subsequently, FINSO was converted into a joint-stock company on 30 November 2021.

On 19 September 2016, INSO, as contractor, executed an agreement with Stichting Algemeen Ziekenhuis Sint Maarten (St. Maarten Medical Centre Foundation), as customer, which was subsequently amended several times and ultimately assigned to FINSO on 12 August 2021, for the design, construction, and maintenance of the new general hospital on the island of Sint Maarten, worth approximately EUR 140 million.

The agreement contains a change of control clause under which, if there is a change of control of the contractor (including the direct or indirect transfer of a majority equity stake in the contractor) without the customer's prior consent (which, however, may not be unreasonably delayed or withheld), the customer may terminate the agreement due to the contractor's breach.

1.9 Directors' benefits if they leave office prematurely, including after a public tender offer

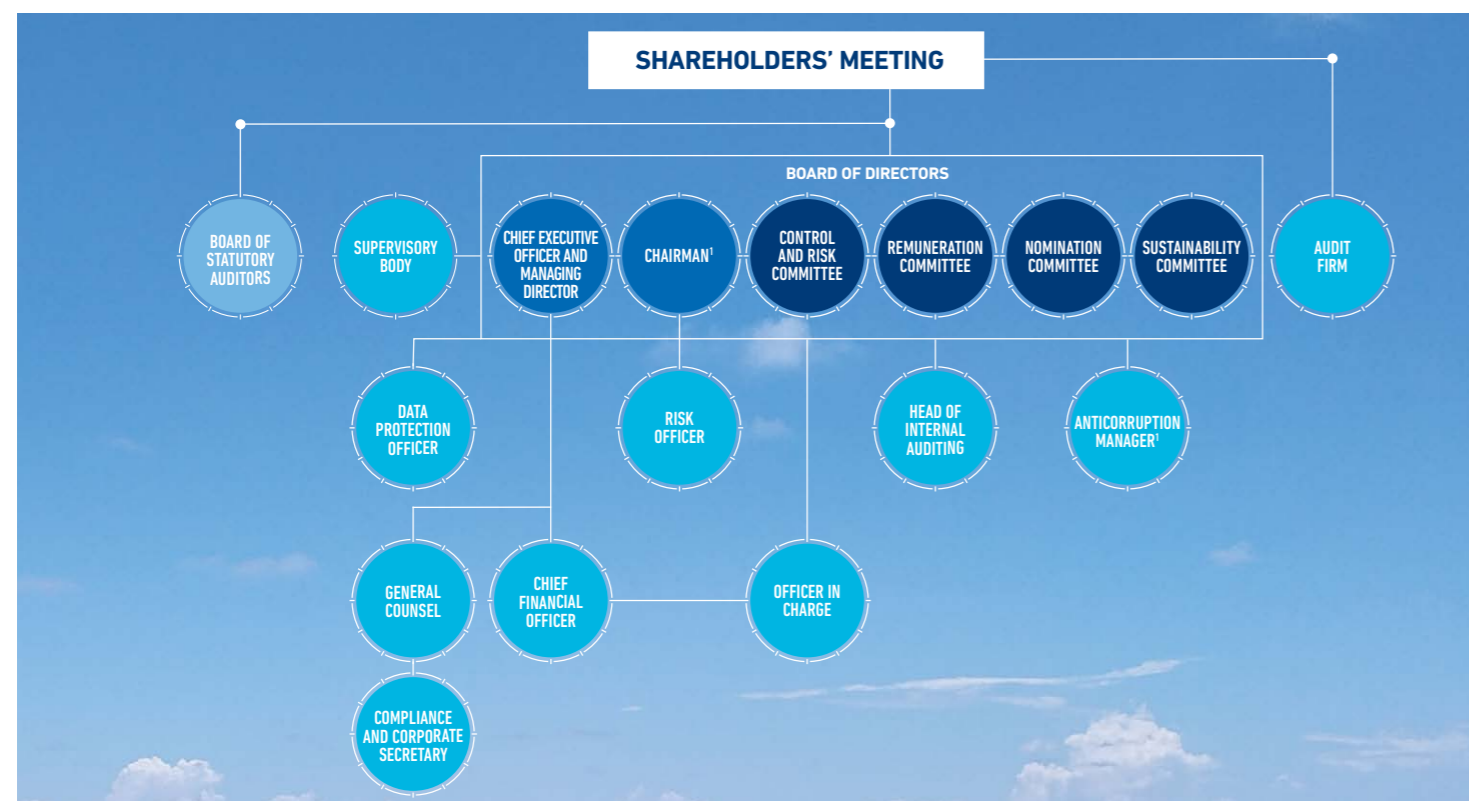
For a description of the agreements between the company and the administrators that provide for benefits in the event of early termination of the arrangement, see paragraphs 2.2.6 (Section I) and 4 (Section II) of the report on the policy regarding remuneration and fees paid approved by the Board of Directors on 7 March 2023 in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF) and available on the Company's website at www.fincantieri.com, in the Section "Governance and Ethics - Remuneration" and in the Section "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting 2023".



Information on Corporate Governance

2. Corporate Governance System

Fincantieri's corporate governance system is structured as follows:



¹ On 16 May 2022, the Board of Directors delegated powers to the Chairman regarding the internal control and risk management system.
² Head of the Compliance Department for the prevention of corruption in accordance with UNI ISO 37001:2016.

The Company has adopted the “traditional” governance and control model in accordance with applicable law and the By-laws, which provides for:

- the Shareholders’ Meeting, the deliberative body of the shareholders;
- a Board of Directors, which is in charge of strategic management and is the fulcrum of the Company’s organizational system;
- a Board of Statutory Auditors, which is responsible for oversight.

In accordance with the By-laws, the Board of Directors has appointed a Chief Executive Officer (CEO), to whom it has entrusted the management of the Company, while reserving decision-making on certain matters to itself alone. The CEO is therefore the main person responsible for the management of the Company, subject to the matters reserved for the Board.

The Chairman has the power to legally represent the Company and the powers provided for by law and the By-laws regarding the operation of the corporate bodies, as well as the power to see that the Board of Directors resolutions are implemented. The Board also gave the Chairman the role of Director in Charge of the ICRMS.

The Board has established four internal committees with investigative, propositional and consultative functions: the Control and Risk Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee.

The characteristics and functions of all the bodies and individuals involved in Fincantieri’s corporate governance are described in the relevant parts of this Report below.

Fincantieri’s corporate governance system adheres to the recommendations of the Corporate Governance Code and is adequate to effectively support the pursuit of the Company’s strategies, including with a view to the creation of sustainable value. In part based on the results of the Board of Directors’ and its Committees’ self-assessment process described in more detail in Section 2.2.12 of this Report, the Company believes that its corporate governance system meets the needs of the social enterprise.

Some of the Issuer’s subsidiaries with strategic relevance are subject to non-Italian laws which, however, do not influence the Issuer’s corporate governance structure.

2.1 Shareholders’ Meeting

The Shareholders’ Meeting is the company body through which the shareholders participate in Company decisions on topics reserved for them according to law and Company By-laws.

At the Shareholders’ Meeting called to approve the 2022 financial statements, the Board of Directors, as it does every year, will report on the activities that were planned and implemented, and will ensure that the Shareholders are given adequate information on matters necessary to enable them to take informed and considered decisions.

2.1.1 Powers and quorum

Shareholders at Shareholders’ Meeting resolve on all matters reserved to them by law or the By-laws.

The ordinary Shareholders’ Meeting is therefore competent to resolve upon the following (among other things): i) the approval of the financial statements and allocation of profits; ii) the appointment and remuneration of the corporate bodies; iii) the removal/dismissal of corporate bodies and liability actions; iv) the appointment of the statutory auditor; v) the purchase of treasury shares; and vi) the approval of the Shareholders’ Meeting Regulations.

The extraordinary Shareholders’ Meeting resolves upon amendments to the Company’s By-laws and extraordinary transactions such as mergers, demergers and capital increases, without prejudice to the Board of Directors’ remit on the matters indicated in Section 1.6 above.

Resolutions of the ordinary and extraordinary Shareholders’ Meetings in first, second or third call, or in single call, are generally adopted in accordance with the majorities required by law for the specific cases. The corporate bodies and officers are elected in accordance with the “slate voting” system described in Sections 2.2.4 and 2.4.2 of this Report.

Article 29 of the By-laws requires specific majorities for related party transactions where the Shareholders’ Meeting is called to adopt resolutions: i) in urgent cases associated with company crisis where the audit body forms a negative assessment as to the presence of urgent conditions ii) if the Related Party Transaction Committee (RPT Committee) forms a negative opinion about the most significant transactions (definitions are given in Section 4.1 below of this Report). In such cases, Shareholders’ Meeting resolutions are considered approved if (a) the quora for valid meetings and for valid resolutions under the By-laws have been met; and (b) if the non-related shareholders attending the Shareholders’ Meeting represent at least ten percent of the voting share capital and the majority of the non-related voting shareholders do not vote against the transaction.

The By-laws do not envisage the possibility of an increase in voting rights.

2.1.2 Procedure for calling Shareholders’ Meetings

Ordinary and extraordinary Shareholders’ Meetings are normally held on single call pursuant to Article 13.2 of the By-laws. The Board of Directors may decide, however, that ordinary and/or extraordinary Shareholders’ Meetings are to be held in more than one call, if it considers this appropriate.

The ordinary Shareholders’ Meeting must be called at least once a year to approve the financial statements, and no later than one hundred eighty (180) days from the end of the financial year.

The Shareholders’ Meeting is called by means of a call notice drawn up according to the law and published in the manner and by the dates provided for by the laws and regulations in force¹⁵.

¹⁵ The call notice is published on the Company website, and an abridged form thereof is published in at least one daily newspaper with national circulation, as well as using the other methods required by applicable regulatory provisions.

The Board of Directors makes available to the public a report on the items on the Shareholders' Meeting agenda in accordance with the legal and regulatory procedures and deadlines in force.

2.1.3 Eligibility to attend Shareholders' Meetings and voting procedures

The right to attend Shareholders' Meetings and the procedures for voting are governed by laws and regulations in force.

More specifically, Article 83-*sexies* of the Italian Consolidated Law on Finance (TUF) states that eligibility to participate in Shareholders' Meetings and to exercise voting rights must be certified by a qualified intermediary, who notifies the Company of such eligibility on behalf of the eligible shareholder. This communication is made by the intermediary on the basis of the accounting records at the end of the accounting day on the seventh trading day prior to the scheduled date of the Shareholders' Meeting (i.e. "record date"). Credit or debit entries made on the intermediary's accounts after this seven-day deadline are not relevant for purposes of eligibility to vote in the Shareholders' Meeting.

The Company must receive the intermediary's notifications by the applicable regulatory deadlines, without prejudice to shareholders' rights to attend and vote in cases where the Company receives the notifications after the abovementioned deadline, but before the start of the Shareholders' Meeting thus convened.



In accordance with Article 15 of the By-laws, each Shareholder entitled to attend the Shareholders' Meeting may be represented by a proxy, given in written or electronic form, under applicable regulatory provisions. The Company may be notified of the voting proxy by certified electronic mail or through the relevant section of its website, as specified in the call notice.

Furthermore, to facilitate the process of obtaining proxies from shareholders employees of the Company and its subsidiaries associated with associations of Shareholders that satisfy the requirements of applicable regulatory provisions, the By-laws provide that areas should be made available to such associations, in accordance with the terms and procedures agreed upon with their legal representatives, to be used for communication and collecting proxies.

The Company may also, for each Shareholders' Meeting, appoint a person to whom shareholders may grant proxies with voting instructions in relation to all or some of the items on the agenda, as envisaged by applicable regulatory provisions. In such cases, the proxy will not be valid for agenda items for which no voting instructions were given.

In accordance with the By-laws, the call notice may also provide, on a case-by-case basis, that shareholders with voting rights may: i) attend Shareholders' Meetings using telecommunications, and/or ii) vote by correspondence and/or electronically, in accordance with the law.

To minimise the risks associated with the COVID-19 health emergency, for the Shareholders' Meeting to approve the financial statements for the year ended 31 December 2021 held on 16 May 2022, the Company availed itself of the option provided by Decree-Law No. 18 of 17 March 2020 concerning "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency", converted, with amendments, by Law No. 27 of 24 April 2020, also taking account of Article 3 (1) of Decree-Law No. 228 of 30 December 2021, converted by Law No. 15 of 25 February 2022, by providing that shareholders would attend that Shareholders' Meeting solely through the representative appointed in accordance with Article 135-*undecies* of the Italian Consolidated Law on Finance (TUF), without being physically present.

There was no voting by correspondence or electronically at the Shareholders' Meeting held on 16 May 2022.

In addition, attendance at the Shareholders' Meeting by authorised persons (members of the corporate bodies and the Appointed Representative), in view of the limitations related to health requirements, also took place with remote connection systems, in compliance with the applicable law for this eventuality.

Prior to the Shareholders' Meeting of 16 May 2022, which was attended by four out of ten directors (the remaining members provided apologies for their absence), the Board took steps to ensure that shareholders were adequately informed, in accordance with legal deadlines, of the necessary requirements for them to grant, with full knowledge, proxies to the Appointed Representative for the decisions to be made at the Shareholders' Meeting. The Board of Directors reported on the activities of the Issuer and the Group at this Shareholders' Meeting.

2.1.4 Shareholders' Rights

In accordance with applicable regulatory provisions:

- shareholders who, individually or collectively, represent at least one-fortieth of the share capital may, no later than ten days from the date when the Shareholders' Meeting call notice is published (except on matters which the Shareholders' Meeting decides based on a proposal from Directors or based on plans or reports prepared by them): i) request that specific items be added to the agenda, specifying the proposed additional items in this request, and ii) submit draft resolutions on matters already on the agenda; and
- shareholders with voting rights may ask questions about items on agenda even before the Shareholders' Meeting, no later than the deadline indicated in the call notice. Replies will be given to these questions, at the latest, during the Shareholders' Meeting.

In any case, shareholders with voting rights will also be entitled to submit questions or draft resolutions, individually or otherwise, during the Shareholders' Meeting.

2.1.5 Conduct of the Shareholders' Meeting

In accordance with Article 16 of the By-laws, the Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, where the latter is absent or indisposed, by the Deputy Chairman, if appointed; if the latter is absent or indisposed, the meeting will be chaired by another person delegated by the Board of Directors.

If this person is not present, the Shareholders' Meeting will elect its own Chairman. The Shareholders' Meeting appoints a Secretary, who need not be a shareholder, and it may appoint one or more scrutineers from among the meeting's attendees.

On 5 May 2014, the ordinary Shareholders' Meeting of the Company approved the Shareholders' Meeting Regulations with effect from the start of trading of Fincantieri's shares on the MTA (now Euronext Milan) on 3 July 2014.

These Regulations (among other things) regulate the procedures for ascertaining shareholder eligibility to attend Shareholders' Meetings venues, voting procedures, the role of the Shareholders' Meeting Chairman, who is also responsible for directing the meeting's proceedings, ensuring that fair procedures are followed during discussions and that attendees' rights are respected. Accordingly, the Chairman of the Shareholders' Meeting, upon opening the meeting's proceedings, sets the maximum duration of each attendee's contribution, which should not generally exceed fifteen minutes. A shareholder may present a request to address the meeting on specific agenda items to the Chairman from the moment the Shareholders' Meeting is called and until the Shareholders' Meeting Chairman has opened the discussion on each item on the agenda. Each attendee may make only one contribution for each item on the agenda. After discussion is closed, only brief voting declarations are allowed.

The Chairman and the Secretary draw up and sign the minutes of Shareholders' Meetings. A notary public must draw up the minutes of extraordinary Shareholders' Meetings.

All the provisions of the Shareholders' Meeting Regulations are given in the full text published on the Company's website at www.fincantieri.com in the "Governance and Ethics - Shareholders' Meetings" section.

The documentation relating to each Shareholders' Meeting, including the minutes, is published on the Company's website at www.fincantieri.com in the "Governance and Ethics - Shareholders' Meetings Archive" section.

2.2 Board of Directors

2.2.1 Composition of the Board

In accordance with Article 19 of the By-laws, the Board of Directors has seven or more members, up to maximum of thirteen members, appointed by the ordinary Shareholders' Meeting in accordance with the procedures described in Section 2.2.4 below. The Shareholders' Meeting determines the number of Board members from time to time, subject to the abovementioned limits.

The Board of Directors in office as at 31 December 2022 and the date of this Report consists of: Claudio Graziano (Chairman), Pierroberto Folgiero (Chief Executive Officer), Paolo Amato, Alessandra Battaglia, Alberto Dell'Acqua, Massimo Di Carlo, Paola Muratorio, Cristina Scocchia, Valter Trevisani and Alice Vatta.

The Board of Directors was appointed by the ordinary Shareholders' Meeting of the Company on 16 May 2022, for the three-year period 2022-2024 and thus expiring on the date of approval of the financial statements for the financial year ending 31 December 2024. The appointment was made on the basis of slates of candidates submitted by the shareholders in accordance with Article 19 of the By-laws¹⁶.

In particular, within the time limits and the procedures prescribed by the applicable rules, two slates of candidates were submitted, namely:

- on 14 April 2022, a slate was filed by the shareholder INARCASSA, owner of 37,413,215 ordinary shares representing 2.201% of Fincantieri's share capital. This slate was identified as No. 1 and contained the following candidates: Paola Muratorio, Paolo Amato and Alice Vatta;
- on 21 April 2022, the slate submitted by the shareholder CDP Industria S.p.A.¹⁷, holder of 1,212,163,614 ordinary shares representing 71.318% of Fincantieri's share capital, was filed. This slate was identified as

No. 2 and contained the following candidates: Cristina Scocchia, Claudio Graziano – Chairman, Pierroberto Folgiero, Alberto Dell'Acqua, Valter Trevisani, Alessandra Battaglia, Massimo Di Carlo, Esedra Chiacchella and Rosanna Rossi.

In accordance with applicable legislative and regulatory provisions, the shareholder who submitted slate 1 declared the absence of any link or association with the shareholders who hold a controlling or relative majority interest, in view of the recommendations contained in the Consob communication no. DEM/9017893 (26 February 2009).

In consideration of the fact that the aforementioned Shareholders' Meeting set the number of members of the Company's Board of Directors at ten, in accordance with the provisions of the Company's By-laws, the first seven members of list number 2, which obtained the highest number of votes (96.324% of the share capital present and entitled to vote) and the three candidates of list number 1 (which obtained 3.676% of the share capital present and entitled to vote) were elected as members of the Board of Directors.

As at 31 December 2022 and the date of this Report, the Board of Directors thus consisted of ten members, two of whom (the Chief Executive Officer and the Chairman of the Board of Directors) were executive directors.

The remaining Directors are non-executive, six of whom are independent according to the law and the Corporate Governance Code¹⁸.

The Directors' curricula vitae are attached to this Report, which detail the key personal and professional information demonstrating their expertise and experience in corporate management (see **Annex 1**).

2.2.2 Professional qualification and integrity requirements and reasons for ineligibility and incompatibility of Directors

Under Article 19.4 of the By-laws, Directors should be selected using criteria of professional qualification and expertise, from among persons who have at least three years' experience in:

- a) management or control activities, or management tasks in companies, or
- b) professional activities or academic positions in law, economics, finance or in technical-scientific areas related to or useful for business or corporate activities, or
- c) administrative/management/executive roles in public or government administrations or bodies operating in sectors related to the Company's sectors of activities, or in public or government administrations or entities operating in unrelated sectors on condition that the responsibilities in question involved the management of economic-financial resources.

In accordance with applicable rules, Directors must satisfy the integrity requirements provided for by the Italian Consolidated Law on Finance (TUF) and by the associated implementing regulations, and also by any other regulatory provision in force applicable to the Company's Directors.

Under Article 19.5 of the By-laws, the failure to satisfy the abovementioned requirements results in ineligibility for office or in the automatic forfeiture of office; moreover, where a Director forfeits their office, they will not be entitled to compensation for damages.

Directors who during their term of office no longer satisfy the abovementioned integrity requirements shall immediately notify the Board of Directors of this.

Without prejudice to the foregoing, a Director will become ineligible for the office of Director with delegated powers, or will automatically forfeit that office for due cause if interim measures are imposed that prevent those delegated powers from being exercised, following proceedings under Article 309 or Article 311 (2) of the Italian Code of Criminal Procedure, or after the expiration of the deadline for bringing those proceedings.

Where particular cases fall wholly or partly within the jurisdiction of foreign legal systems, the Board of Directors ascertains the existence of the situations described above by conducting an assessment of substantive equivalence.

¹⁶ On the occasion of this appointment, the outgoing Board of Directors refrained from presenting its own slate of candidates and formulating its own guidelines to the Shareholders on the composition of the new Board of Directors.

¹⁷ With effect from 31 December 2022, CDP Industria S.p.A., a wholly owned subsidiary of CDP S.p.A., was merged into CDP Equity S.p.A., also a wholly owned subsidiary of CDP S.p.A.

¹⁸ For a complete description of the characteristics of executive, non-executive and independent directors, please see the following sections 2.2.7, 2.2.8, 2.2.9 and 2.2.10.

2.2.3 The Board's guideline on the maximum number of offices that Directors can hold in other companies

On 1 June 2022, the Board of Directors confirmed the guidance, originally adopted on 19 December 2014 and updated on 28 January 2021, on the maximum number of offices as director or standing auditor compatible with the effective performance and time commitment required by the role of the director, in accordance with the recommendations of the Corporate Governance Code for large companies (see Recommendation 15). Under these guidelines, in particular, Company Directors may accept and continue to hold office if they consider that they are able to devote the necessary time to effectively perform their duties, taking into account the number of their positions in the management and supervisory/audit bodies that are relevant for calculating the total number of offices held by them and the commitment that they entail. For these purposes, the companies that are relevant for calculating the cumulative number of offices held by them are:

- a) companies whose shares are listed on regulated markets, including foreign markets;
- b) other Italian or foreign companies whose shares are not listed on regulated markets that have assets in excess of EUR 1,000 million and/or revenues in excess of EUR 1,700 million, based on their latest approved financial statements (i.e. companies of significant size).

More specifically, the guidelines approved by the Board provide as follows:

- 1) the acting CEO and the Executive Directors (with specifically delegated management powers) of Fincantieri: i) it is not permitted in principle - unless the Board of Directors decides otherwise - to hold any office as Chief Executive Officer in the companies indicated in letter a) above; ii) are allowed a maximum of 3 offices as Director (executive with specific management or non-executive) and/or as Statutory Auditor in the companies indicated in letter a) above; and iii) a maximum of 5 offices as Director (executive with specific management or non-executive) and/or as Statutory Auditor in the companies indicated in letter b) above. If the aforementioned limit is reached, if the offices held also include that of Executive Director with specific management powers, the Board of Directors, considering the content of the powers assigned - evaluates compliance with the aforementioned principles under which Company's Directors accept the position and retain it. In any case, unless the Board of Directors expressly decides otherwise, Fincantieri's CEO may not hold the office of Director in one of the companies indicated in letter a) above which does not belong to the Fincantieri Group and whose CEO is a Director of Fincantieri;
- 2) for Fincantieri's Directors other than the CEO and the Executive Directors (with specially delegated management powers), the number of offices held on the boards of directors or audit bodies of other companies referred to in letters a), b) and c) above may not exceed 5.

In calculating the number of offices indicated in points 1) and 2) above, offices held in direct and/or indirect subsidiaries or affiliates of Fincantieri are not taken into account. Moreover, if a Director holds offices in several companies from the same group, only one appointment within such group is taken into account for the purpose of calculating the number of offices.

Without prejudice to the foregoing, the Board of Directors may grant exemptions (including temporary ones) from the parameters specified in points 1) and 2) above, based on the total number of offices held by the relevant members on the boards of directors and statutory auditors of other companies that are relevant for calculating the total number of offices held in them. In granting such exemptions, the Board of Directors takes into account the following factors: i) the specific nature of the offices held by the person in question, also taking into account the nature and size of the company in which such offices are held; ii) the commitment required for any additional professional activities in which that person engages and any offices in associations which they hold; and iii) the commitment demanded from that person by their role within the Board of

Directors (particularly where a non-executive Director who is not a member of any Committee is involved). The previous Board of Directors in office until 16 May 2022 in its meeting of 31 January 2022, having examined the declarations made by the Directors to the Company, previously verified by the Nomination Committee and examined by the Board of Statutory Auditors, verified that the number of positions held by Fincantieri's Directors as of the date in office on the boards of directors or supervisory bodies of other companies that are relevant for calculating the number of positions held by them was in line with the guidelines described above. The Board of Directors in office at the date of this Report in its meeting of 16 May 2022, based on the statements given and the information provided by the persons concerned in their candidature, ascertained compliance with the limits on multiple offices, considering the guidelines adopted in this regard by the Company in force at that date.

In the meeting of 1 June 2022, the Board of Directors, following the confirmation of the guidance originally adopted on the maximum number of administration and control positions deemed compatible with effectively performing the role of Company Director, verified that the number of positions held by Fincantieri Directors in the boards of directors or audit/supervisory bodies of other companies that are relevant for calculating the cumulative number of positions held by them is in line with the guidelines described above. Information on the positions held by Fincantieri's Directors in the boards of directors and audit/supervisory bodies of other companies that are relevant for calculating the total number of positions held in them is provided in **Table 1** attached to this Report.

2.2.4 Appointment and replacement of Directors

Directors are appointed by the ordinary Shareholders' Meeting in accordance with the procedures described below, for a term not to exceed three financial years, and they may be re-elected after their mandate expires. The appointment of Directors is regulated by Article 19 of the By-laws, which provides a full description of the relevant provisions¹⁹.

Slate voting

The Board of Directors is appointed by the Shareholders' Meeting on the basis of slates submitted by shareholders and by the Board of Directors, in compliance with applicable regulatory provisions on equal access to corporate bodies by the less represented gender.

Entitlement to submit slates

Each shareholder may submit or contribute to the submission of one slate only. Shareholders are entitled to submit slates only if they represent - individually or collectively with other Shareholders - at least 1% of the share capital or such other percentage, if lower, that is established by Consob in the Consob Regulation. In its Executive Decision no. 76 of 30 January 2023, Consob determined (without prejudice to any lower shareholding provided for by the By-laws) the shareholding required in order to submit candidates slates for the election of management and audit bodies of listed companies that closed their financial year 31 December 2022. Specifically, the following is the shareholding established for Fincantieri S.p.A.:

CLASS	CRITERIA TO DETERMINE THE SHAREHOLDING		SHAREHOLDING
	FLOATING CAPITAL >25%	MAJORITY STAKE >50%	
> 375 million euros and <= 1 billion euros	Not relevant	Not relevant	2,50%

However, the aforementioned minimum quota of at least 1% of the share capital, which is provided for in the By-laws, shall apply in the current financial year.

Ownership of the minimum shareholding required for the submission of slates must be proven within the terms

¹⁹ The By-laws are available on the Company's website at www.fincantieri.com in the "Governance and Ethics - Corporate Governance System" section.

and according to the procedures provided for by the legislation in force at the time.

Candidate slates may also be submitted by the outgoing Board of Directors.

Each person with voting rights may vote for one slate only.

Composition and filing of slates

Each candidate may appear on one slate only, and shall otherwise be ineligible.

Candidates must be listed in sequential order in the slates.

Each slate must include at least two candidates who satisfy legally-required independence criteria, and must specify the names of those candidates and indicate one of the candidates in the first position on the slate.

Furthermore, slates that present three or more candidates must include candidates of different genders, as detailed in the Shareholders' Meeting call notice, thus ensuring that the composition of the Board of Directors is compliant with the applicable laws on gender equality.

The slates must be filed at the Company's headquarters in accordance with the deadlines and procedures envisaged by the applicable rules (i.e. at least twenty-five days prior to the date of the Shareholders' Meeting called to appoint the Board of Directors).

The filing of each slate must include the filing of the professional curricula vitae of the candidates and the declarations in which they accept their candidature and certify, under their own responsibility, that there are no grounds of ineligibility or incompatibility, and that they meet the requirements of integrity provided for by current legislation and by the By-laws (see Section 2.2.2 above), and any independence requirements established by law and/or by the Corporate Governance Code (see Section 2.2.10 below).

Appointment procedures

Directors are elected as follows:

a) the following are taken from the slate that obtains the majority of votes, in the sequential order in which they are listed on that slate:

- two-thirds of the Directors, with fractions being rounded down to the next lower integer, where the Board consists of nine (9) members at most;
- 7 Directors, if the Board consists of 10 members;
- 8 Directors, if the Board consists of 11 members;
- 9 Directors, if the Board consists of 12 members; and
- 10 Directors, if the Board consists of 13 members;

b) the remaining Directors are drawn from the other slates, subject to the applicable regulations protecting minority shareholders, which are not associated in any way, even indirectly, with shareholders who submitted or voted for the slate that obtained the highest number of votes. Accordingly, the votes obtained from these slates are subsequently divided by one, two or three, depending upon the number of Directors to be elected. The quotas thus obtained are assigned in sequential order to the candidates of each of these slates, in the order respectively envisaged by each. The quotas thus assigned to the candidates on the various slates are then arranged in a single descending ranking. Candidates who obtain the highest quotas are elected.

Where more than one candidate has obtained the same quota, the candidate elected will be the candidate from the slate that has not yet elected a Director, or that has elected the least number of Directors. If none of these slates has elected a Director or if all have elected the same number of Directors, the candidate elected will be the candidate from the slate that has obtained the highest number of votes. In the event of a tie in the slate votes and in circumstances where the quotas are tied, the Shareholders' Meeting will vote again - subject to legally applicable majorities - from among candidates who attained the same quota from slates that elected the same number of Directors (or no Director) and obtained the same number of votes;

c) if, following the application of the procedure described above, the minimum number of independent Directors required by applicable regulations is not elected (see Section 2.2.10 below), the share of votes attributable to each candidate drawn from the slates is calculated by dividing the number of votes obtained from each slate by the ranking number of each of the candidates, thus forming a single ranking in descending order; candidates who do not satisfy applicable independence requirements and who obtain the lowest ratios among the candidates taken from all of the slates will be replaced - beginning from the last and until the minimum number of independent Directors required under applicable rules has been reached - by independent candidates indicated on the same slate as the replaced candidate (following the order in which they are indicated) or by persons who satisfy the relevant independence criteria and who are appointed in accordance with the procedure referred to in of Article 19.8 (e) of the By-laws.

If candidates on different slates achieve the same quota, the candidate to be replaced is the candidate from the slate from which the highest number of Directors has been drawn or, if the same number of Directors are elected, the candidate from the slate that has obtained the lowest number of votes or, in the event of a tie, the candidate who obtains fewer votes in a special vote of the Shareholders' Meeting (subject to the legally-required quorums) from among all of the candidates who obtained the same quota of slates that elected the same number of Directors and obtained the same number of votes;

d) if the application of the procedure described in letters a) and b) above fails to ensure compliance with the applicable rules on gender balance, the quota of votes to be assigned to each candidate drawn from the slates comprised of at least three candidates is calculated by dividing the number of votes obtained from each slate by the ranking number of each of these candidates, thus forming a single ranking in descending order; candidates of the better represented gender who have the lowest quotas among the candidates taken from the above mentioned slates are replaced - until the number of Directors is achieved that ensures compliance with applicable gender balance rules and subject to the minimum required number of independent Directors - by the candidate of the less represented gender (if any) indicated (with the next lowest slate ranking number) on the same slate as the candidate who is replaced. If candidates on more than one of the abovementioned slates have achieved the same ratio, the candidate to be replaced is the candidate from the slate from which the highest number of Directors has been drawn or, if the same number of Directors are elected, the candidate from the slate that has obtained the lowest number of votes or, in the event of a tie, the candidate who obtains fewer votes in a special vote of the Shareholders' Meeting (subject to the legally required quorums), from among all of the candidates who obtained the same quota from slates that elected the same number of Directors and obtained the same number of votes.

The slate voting procedure described above applies only where the entire Board of Directors is appointed.

Directors who, for any reason, are not appointed in accordance with the above procedure are appointed by the Shareholders' Meeting subject to the statutory majorities, thus ensuring that the Board's composition complies with law and with the By-laws, and with applicable rules on gender balance.

Replacement

If one or more Directors should cease from office or become available during the year, due to resignation or for any other reason, the procedure detailed in Article 2386 of the Italian Civil Code shall be applicable.

In any case, the Board of Directors must have the legally required minimum number of independent Directors, and the rules relating to gender balance and protection of minorities must be complied with.

If the majority of Directors should leave office due to resignation or for any other reason, the entire Board shall cease to hold office and the Shareholders' Meeting shall be called to reconstitute the Board in accordance with the procedures envisaged by Article 2386 of the Italian Civil Code.

2.2.5 Tasks of the Board

The Board of Directors leads by pursuing sustainable success; it defines strategies and identifies the corporate governance system that is most appropriate for carrying out the company's business and pursuing its strategies.

The Company's Board of Directors is the key body of the company's Corporate Governance system, having the broadest powers of ordinary and extraordinary administration thereof, including the definition of the Company's and the Group's strategic, organizational and control policies.

The Board of Directors plays a steering role in defining (upon proposal by the CEO and with the support of the relevant Board Committees) policies and strategies designed to pursue sustainable success, identifying medium and long-term objectives and ascertaining the associated results, which are also presented to the Shareholders' Meeting.

The Board of Directors also promotes dialogue with shareholders and other stakeholders relevant for the Company.

The Board of Directors, in accordance with the provisions of the law, of the By-laws, and in accordance with the principles and recommendations of the Corporate Governance Code:

- may delegate all or some of its powers - except those that cannot be delegated according to law - to one or more of its members and/or to an executive committee;
- upon proposal of the Chairman, appoints a secretary to the Board of Directors (the "Secretary"), who need not belong to the Company, and defines his/her professional requirements and attributes in the BoD Regulation (as defined below);
- reviews and approves the Company's and the Group's Business Plan, also taking into account the analysis of topics relevant for long-term value generation carried out with the support of the Control and Risk Committee, as well as the review of the strategic lines conducted by the Sustainability Committee;
- periodically monitors the implementation of the Business Plan and assesses the general performance of the business, comparing the results achieved with those planned;
- defines the nature and level of risk compatible with the Company's strategic objectives, including all elements that may be relevant for Company's sustainable success;
- defines the Company's corporate governance system and the general structure of the Group and assesses the adequacy of the organizational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system;
- approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;
- defines rules to ensure the transparency and substantive and procedural fairness and propriety of transactions with related parties; for more information, please see Section 4.1 of the Report, and the document entitled "Regulation on related party transactions", made available to the public on the Company's website, in the section "Governance and Ethics - Related Party Transaction";
- on a proposal from the Chairman in agreement with the CEO, adopts a procedure for the internal and external management of documents and information concerning the Company, with particular reference to inside information, in order to ensure the correct management of corporate information. For further information, please see Section 4.2 of the Report and the document entitled "Procedure for management and public disclosure of corporate information", made available to the public on the Company's website, in the section "Governance and Ethics - Market Abuse/Internal Dealing";
- upon proposal by the Chairman in agreement with the Chief Executive Officer issues a policy for the managing dialogue with shareholders in general, also taking into account the engagement policies adopted by institutional investors and asset managers. For further information, please see Section

5 of the Report and the document entitled "Policy for managing dialogue with the shareholders and other relevant stakeholders", available on the Company's website, in the "Investor Relations" section;

- appoints an independent director as Lead Independent Director in the cases provided for by the Corporate Governance Code;
- convenes ordinary and extraordinary Shareholders' Meetings in compliance with the procedures and deadlines envisaged by applicable regulatory provisions, ensuring that shareholders are provided with detailed knowledge and information that enables them to adequately participate in such meetings;
- ensures an adequate division of its functions and establishes board committees with investigative, propositional and consultative functions, in accordance with applicable legislative or regulatory provisions (e.g. in relation to related party transactions) and the Code's recommendations, defining their tasks and the procedures for convening, directing and recording meetings within relevant Regulations approved by the Board of Directors;
- in relation to internal control and risk management:
 - establishes an Internal Control and Risk Committee tasked with supporting the Board of Directors when making assessments and decisions related to the internal control and risk management system, and also related to the approval of periodic financial and non-financial reports;
 - defines with the Control and Risk Committee's support the guidelines for the internal control and risk management system in line with the Company's strategies and assesses, at least once a year, the adequacy of this system with respect to the Company's characteristics and its risk profile, as well as its effectiveness;
 - appoints, with the Control and Risk Committee's support, the Head of Internal Auditing, defining his/her remuneration in line with company policies and ensures that he/she has adequate resources to carry out his/her duties;
 - approves, at least once a year, with the support of the Control and Risk Committee, and having consulted with the Board of Statutory Auditors and the Chairman, the audit plan prepared by the Head of Internal Auditing and examines the final report on the activities carried out to implement it;
 - assesses, with the Control and Risk Committee's support, whether there is a need to take measures to ensure the effectiveness and impartiality of the risk management function, and of the function responsible for monitoring legal and nonconformity risk, verifying that they have adequate professional expertise and resources;
 - describes in the Corporate Governance Report, with the support of the Control and Risk Committee, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved, providing information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself;
 - assesses, with the support of the Control and Risk Committee and after consulting with the Board of Statutory Auditors, the results presented by the external auditor in any Management Letter and in the additional report addressed to the control body;
 - appoints the Officer in Charge (after receiving the mandatory opinion of the Board of Statutory Auditors), such appointment to last for at least for the duration of the Board's term of office but for no more than six financial years, indicating the term of the assignment as well as the duties, powers and remuneration; it may also revoke said appointment if this should prove necessary;
 - approves the Organization, Management and Control System pursuant to Legislative Decree No. 231 of 8 June 2001 ("Legislative Decree 231/2001");
 - defines, with the Control and Risk Committee's support, the composition of the Supervisory Body and appoints its members, and explains its choices and decisions in the Corporate Governance Report;

- draws up, with the support of the Remuneration Committee, the remuneration policy for the Directors, Managing Director, Managers with Strategic Responsibilities and for the other Key Managers;
- develops, with the support of the Nomination Committee, a plan for the succession of the Chief Executive Officer and the other executive directors which identifies, at the very least, the procedures to be followed in the event of an early termination of office;
- conducts, at least every three years, a self-assessment of the Board of Directors and of its Board Committees with the support of the Nomination Committee, before the renewal of the Board of Directors;
- gives its opinion - on a proposal by the Nomination Committee - on the maximum number of concurrent positions as a director or statutory auditor in companies that are relevant for calculating the total number of offices held that may be considered compatible with the effective performance of the role of Director of the Company;
- approves, after consulting with the Sustainability Committee, the sustainability matrix, the Charter of Sustainability Commitments and the Sustainability Plan of the Company, and approves the Sustainability Report published each year following an investigation by the Sustainability Committee.

In addition, the Board of Directors, most recently with a resolution dated 16 May 2022, reserved for its decision the following matters:

- defining the company's strategic lines and organizational guidelines, through the approval of business plans and annual budgets;
- entering into strategically relevant agreements;
- incorporating companies, associations or entities and purchasing and selling shareholdings, enterprises or business units;
- drawing up, amending and cancelling binding letters of intent or contracts (if not already included in those letters of intent) for the supply of goods or services by the Company for amounts in excess of EUR 500 million per contract;
- purchasing, exchanging and selling real estate, establishing other property rights and leases exceeding nine years for amounts in excess of EUR 40 million;
- engaging in medium and long-term lending/borrowing transactions for amounts in excess of EUR 500 million per transaction;
- issuing guarantees for amounts exceeding EUR 500 million per transaction; however, the CEO will be authorised to issue same if the situation demands;
- recruiting, appointing and dismissing Managing Directors;
- granting professional work assignments for an amount in excess (either individually or cumulatively) of EUR 100,000 in the case of natural persons and EUR 500,000 in the case of professional associations or legal persons, excluding assignments awarded to i) natural persons registered in professional registers or lists; ii) professional associations between such natural persons; and iii) legal persons of national or international standing.

Below is a summary of the main activities carried out by the Board of Directors during the financial year.

The previous **Board of Directors in office until 16 May 2022**:

- examined the recommendations contained in the annual report on the application of the Corporate Governance Code by issuers, drawn up by the Corporate Governance Committee, and in the cover letter drawn up by the CG Committee Chairman and transmitted to the Chairs of Italian listed companies on 3 December 2021, noting the Company's substantial compliance with the requirements indicated therein;
- after investigation by the Nomination Committee: i) verified that the independence and integrity requirements of Board of Directors members were met, and that no causes of incompatibility, ineligibility or disqualification from office existed in relation to them; ii) verified that the number of positions held by

- directors was in keeping with guidelines on the maximum number of concurrent positions as director or statutory auditor that can be considered compatible with a Company director's effective performance of their duties;
- resolved to entrust to the Nomination Committee, with the support of the company Secretary, the task of preparing the board evaluation process for 2021;
- examined the periodic report submitted by the Supervisory Body;
- after consulting with the Control and Risk Committee, assessed the internal control and risk management system as being effective and adequate to the nature and characteristics of the enterprise and the risk profile assumed;
- after receiving the opinion of the Control and Risk Committee, and consulting the Chairman - given the powers relating to the establishment and maintenance of the internal control and risk management system vested in him - and the Board of Statutory Auditors, approved the annual audit plan for the 2022 financial year drawn up by the Head of Internal Auditing;
- examined the periodic report of the Control and Risk Committee for the financial year ending 31 December 2021;
- examined the ERM - Risk Assessment Report as at 31 December 2021, after consulting with the Control and Risk Committee;
- examined the periodic report of the Head of Internal Auditing for the financial year ending 31 December 2021 following its preliminary review by the Control and Risk Committee;
- verified that the Head of Internal Auditing has adequate resources to fulfil his responsibilities following the favourable opinion of the Control and Risk Committee;
- after receiving the opinion of the Control and Risk Committee, expressed a positive opinion regarding the effectiveness and impartial judgement of the Risk Officer, the Ethical Compliance Office and the Trade Compliance Office, considering their professionalism and resources adequate;
- following preliminary investigation by the Control and Risk Committee, assessed the adequacy of the organizational, administrative and accounting structure of the Company and its main subsidiaries, verifying that the Officer in Charge has adequate powers and means to perform the tasks assigned to him, and supervising his effective compliance with administrative and accounting procedures;
- after consulting with the Control and Risk Committee, took positive note of the tests carried out in accordance with Law 262/2005 and approved the outcomes;
- after consulting with the Control and Risk Committee, acknowledged that no changes had occurred with respect to the impairment test procedure approved by the Board of Directors at its meeting of 14 February 2019, which was therefore reconfirmed by the Board of Directors, which also approved the associated outcomes;
- following preliminary review by the Control and Risk Committee, approved the periodic annual financial statements and the Consolidated Financial Statements as at 31 December 2021;
- approved the proposal for the profit allocation as per the financial statements as of 31 December 2021, after consulting with the Control and Risk Committee;
- after consulting with the Control and Risk Committee, approved the Report on corporate governance and ownership structure for the year 2021;
- on the basis of the illustration provided by the Board of Statutory Auditors, took note of the additional report by the Company's external auditor, prepared in accordance with Article 11 of Regulation (EU) 537/2014 for the financial year ended 31 December 2021;
- having received the opinion of the Control and Risk Committee, approved the additional financial information as at 31 March 2022, taking positive note of the absence of findings and compliance with the relevant regulations in its preparation;
- approved the 2021 reporting package for Cassa Depositi e Prestiti S.p.A.;
- after consulting the Sustainability Committee, approved Fincantieri's Materiality Matrix;
- after consulting the Sustainability Committee, approved the Sustainability Report for the 2021 year;
- after receiving the opinion of the Remuneration Committee, approved the Report on Remuneration Policy and Fees Paid in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF).

The **Board of Directors in office from 16 May 2022:**

- nominated the Chief Executive Officer of the Company, deciding the delegations and powers granted to the Chairman and Chief Executive Officer and on the matters reserved to the exclusive competence of the Board;
- has i) ascertained the existence of the integrity and professionalism requirements, and the absence of causes of ineligibility and incompatibility for the Directors, as provided for by the laws in force; ii) ascertained compliance with the limits on multiple offices, taking into account the Guidance on the maximum number of offices that may be held by Directors confirmed by the Board and iii) verified the existence of the independence requirements outlined in Articles 147-ter (4) and 148 (3), of the Italian Consolidated Law on Finance (TUF), as well as Article 2 of the Code, for Directors Paolo Amato, Alberto Dell'Acqua, Paola Muratorio, Cristina Scocchia, Valter Trevisani and Alice Vatta, taking into account the Criteria for the significance of relationships and additional Remuneration for the independence assessment confirmed by the Board;
- appointed the members of the Board Committees and their chairpersons, determined their remuneration and approved the relevant regulations;
- appointed the Secretary of the Board and approved the Regulations for the Board of Directors;
- appointed the manager responsible for preparing financial reports in accordance with Article 154-bis of the Italian Consolidated Law on Finance (TUF), determining his duties, powers and remuneration;
- after consulting the Control and Risk Committee, appointed the Head of Internal Auditing and determined his remuneration;
- approved Fincantieri's 2023-2027 Business Plan, taking into account the analysis of issues relevant to long-term value generation carried out with the support of the Control and Risk Committee, as well as the review of the strategic lines carried out by the Sustainability Committee for the aspects for which it is responsible;
- having received the opinion of the Control and Risk Committee, approved the 6-monthly financial information as of 30 June 2022 and the additional financial information on 31 March 2022, positively noting the absence of findings and the compliance with the relevant regulations in preparing it;
- following consultation with the Control and Risk Committee, based on the information provided by the Head of Anticorruption, positively assessed the suitability, adequacy and effectiveness of the Anticorruption management system;
- after consulting with the Control and Risk Committee, approved the updating of the 231 Organizational Model;
- reviewed the six-monthly periodic report of the Control and Risk Committee;
- based on the proposal of the Remuneration Committee, finalized the corporate results and performance targets for the short-term variable component of remuneration ("MBO") for 2021 of the previous Chairman and Chief Executive Officer;
- based on the proposal of the Remuneration Committee, finalized the performance targets for the MBO for 2022 of the Chairman and Chief Executive Officer in office;
- after preliminary investigation by the Remuneration Committee, approved the Company's proposals regarding the achievement of targets and the allocation of shares to the beneficiaries of the first cycle of the 2019 - 2021 Performance Share Plan;
- after preliminary investigation by the Remuneration Committee, approved the Company's proposals regarding identification of the beneficiaries and the allocation of shares to each for the first cycle of the 2022 - 2024 Performance Share Plan;
- initiated the Board of Directors' self-assessment process for the 2022 financial year, conducted by the Nomination Committee.

Furthermore, in the first months of 2023 the Board of Directors:

- nominated the Lead Independent Director and approved the relevant Regulations. For more information, please see Section 2.2.11 of this Report;
- considering the outcomes of the preliminary investigation carried out by the Sustainability Committee, approved Fincantieri's Sustainability Plan 2023-2027;

- examined the recommendations contained in the report on the application by issuers of the Corporate Governance Code, prepared by the Italian Corporate Governance Committee in the cover letter drafted by the CG Committee Chairman and sent to the Chairmen of Italian listed companies on 27 December 2023, noting the Company's substantial compliance with the requirements indicated therein. For more information, please see Section 7 of this Report;
- after preliminary investigation by the Nomination Committee: i) verified that the independence and integrity requirements of Board of Directors members were met, and that no causes of incompatibility, ineligibility or disqualification from office existed in relation to them; ii) verified that the number of positions held by directors was in keeping with guidelines on the maximum number of concurrent positions as director or auditor that can be considered compatible with a Company director effectively performing his/her duties; iii) approved the update of the succession plan for the Chairman of the Board of Directors and the Chief Executive Officer and iv) verified the adequacy of the succession procedures for top management;
- examined the report on the Board of Directors' self-assessment for the 2022 financial year, drawn up by the Nomination Committee;
- after consulting with the Control and Risk Committee, assessed the internal control and risk management system as being effective and adequate to the nature and characteristics of the enterprise and the risk profile assumed;
- after consulting with the Control and Risk Committee: i) examined the Head of Internal Auditing's periodic report for the financial year ended 31 December 2022; ii) having consulted with the Chairman - by virtue of the powers inherent to the institution and to the maintenance of the internal control and risk management system attributed to him - and the Board of Statutory Auditors, approved the annual audit plan for financial year 2023 prepared by the Head of Internal Auditing; iii) verified that the Head of Internal Auditing has adequate resources to carry out his/her duties;
- after consulting the Control and Risk Committee, reviewed the ERM - Risk Assessment Report as of 31 December 2022;
- following investigation by the Control and Risk Committee, assessed the adequacy of the organizational, administrative and accounting structure of the Company and its main subsidiaries, verifying that the Officer in Charge has adequate powers and means to perform the tasks assigned to him, and supervising his effective compliance with administrative and accounting procedures;
- after consulting the Control and Risk Committee, reviewed the Impairment Test Procedure on investments and on goodwill as at 31 December 2022;
- after consulting with the Internal Control and Risk Committee, i) expressed a positive assessment of the effectiveness and impartial judgement of the Risk Officer and the Ethical Compliance Office and Trade Compliance Office, considering their professionalism and resources adequate, and ii) expressed a positive assessment of the effectiveness and impartial judgement of the corporate functions in charge of monitoring legal and non-conformity risk within the Legal and Corporate Affairs Department and agreed on the advisability of supplementing their staff;
- examined the periodic report of the Control and Risk Committee for the financial year ending 31 December 2022.

The Board of Directors' additional activities in connection with the internal control and risk management system are described in Section 3 of this Report.

Diversity policy

During the Financial Year and specifically on 31 January 2022, the Board of Directors in office until 16 May 2022, after a preliminary investigation conducted by the Nomination Committee, expressed its opinion, in accordance with the action taken in 2020 and 2021, considering there was no need to adopt a specific diversity policy for the members of the Board of Directors and the Board of Statutory Auditors.

The Board of Directors in office on the date of issue of this Report, 27 January 2023, following the investigation

performed by the Nomination Committee, performed an evaluation and considered, in compliance with what has been expressed in prior years, that there is no reason to adopt a specific diversity policy for the members of the Board of Directors and the Board of Statutory Auditors, considering i) that there are legal regulations and the Company's By-laws that already ensure diversity regarding the composition of Fincantieri's administration and control bodies as a listed entity; ii) the nature and composition of the Fincantieri ownership; iii) the procedure for the nomination of the Directors and Auditors that is regulated by the company By-Laws in accordance with the law, which calls for use of the list-vote mechanism, with the possibility of nominating candidates from two or more lists presented by the shareholders and voted on during the Shareholders' Meeting; as well as iv) considering the composition of the Board of Directors and Board of Statutory Auditors currently in office that show adequate diversity profiles in terms of age, sex and experience.

With reference to Recommendation 8 of the Corporate Governance Code, concerning measures to promote equal treatment and opportunities between genders within the entire corporate organization, Fincantieri has undertaken corporate initiatives aimed at enhancing diversity and promoting inclusion. Particular focus has been given to gender diversity, as well as aspects such as age diversity and cultural diversity, in conformity with the principles identified in the Human Rights Policy - Commitment to Respect for Human Rights and Diversity, approved by the Board of Directors on 28 January 2020. In particular, Fincantieri undertakes to:

- creating an inclusive work environment that ensures respect, integrity, personal development and equal opportunities;
- increasing employee awareness of diversity and equal opportunities;
- encouraging the commitment of all Group employees to act with respect and integrity in every relationship;
- requiring suppliers to behave in a manner consistent with respect for human dignity.

2.2.6 Board Meetings and operation

The Board of Directors in office from 16 May 2022 at the Board meeting of 1 June 2022 confirmed the "Fincantieri Board of Directors Regulation" (the "BoD Regulation"), which regulates the role, organization and operating procedures of the Board, the role of the Chairman, as well as the duties and primary functions of the Secretary, in accordance with the principles and recommendations of the Corporate Governance Code. In accordance with the BoD Regulation, the documents relating to the agenda items are made available to the Directors and the Statutory Auditors at least five days prior to the meeting date. The documentation is uploaded to a special reserved portal, to ensure the confidentiality of the data and information transmitted without jeopardizing prompt and comprehensive information flows. When the documentation is uploaded to the portal, the Secretary notifies the directors and auditors by e-mail.

Meeting minutes are written by the Secretary or (if different) by the meeting secretary, except where the minutes are required by law to be drawn up by a notary public. The final text of the minutes is submitted to the Board for its examination at the next Board meeting, and the Secretary then transcribes the minutes into the board resolution minute books.

In 2022, the Board of Directors met 12 times with an average meeting duration of about 140 minutes and the director's attendance averaged 96%. Independent directors' attendance averaged 94%.

The meetings were regularly attended by members of the Board of Statutory Auditors and also, at the Chairman's invitation, by company department heads whose remit extended to the individual agenda items. At the invitation of the Chairman, in agreement with the Chief Executive Officer, meetings of the Board of Directors were attended regularly by certain Managers of the Company and the Group and representatives of the responsible corporate functions (such as, the Chief Financial Officer, the Officer in Charge of Financial Reporting, the Head of the Human Resources and Industrial Relations Department and the Head of Internal Auditing), as well as external consultants to provide appropriate insight in relation to the discussion of specific agenda items. During the Board's Self-Evaluation, Directors expressed their particular appreciation for the participation and contribution of the Company's Managers at board meetings and considered this a practice to be further developed in the future. Board meetings for the approval of financial data are always attended by the Officer in

Charge in accordance with Article 154-*bis* of the Italian Consolidated Law on Finance (TUF).

In accordance with the provisions of the BoD Regulations, all meetings were duly convened by the Chairman with at least five days' notice. During the financial year, the aforementioned deadlines for transmitting agenda items to all Directors and Statutory Auditors were substantially respected.

For the financial year 2023, 10 meetings had been scheduled as of the date of this Report, 2 of which have already been held in the first months of the year.

Table 1 and **2** attached to this Report indicate the percentage attendance of each Director at meetings of the Board of Directors and its committees.

2.2.7 Chairman of the Board of Directors

The Chairman of the Board of Directors in office at the date of this Report, Claudio Graziano, was appointed by the Shareholders' Meeting on 16 May 2022.

The Chairman is vested with authority to legally represent the Company and with the powers provided for by law and by the By-laws in relation to the functioning of the corporate bodies (Shareholders' Meeting and Board of Directors), and also to check and verify the implementation of Board resolutions.

Moreover, on 16 May 2022, the Board of Directors resolved to grant the following powers to the Chairman Claudio Graziano, to be exercised in agreement with the CEO, to ensure the consistency and effectiveness of the Company's actions:

- representing the Company before institutions, entities, national and international organizations with a view to promoting the Company's image and activities, without prejudice to the responsibility that is vested in the CEO in relation to the Company's administration and management;
- collaborating with the Chief Executive Officer in defining the Company's communication strategies and activities and relations with national and international government bodies;
- collaborating with the Chief Executive Officer in defining and developing the Company's national and international strategies and internationalization activities;
- supervising and coordinating the internal control system of the Company and of its subsidiaries and the continuous improvement of its effectiveness and efficiency, and implementing special resolutions on internal control adopted by the Board of Directors, based on a mandate from the said Board;
- supervising and coordinating the development and governance of the corporate security system aimed at safeguarding its tangible and intangible assets and resources, including the assets referred to in Articles 12 et seq. of Decree of the President of the Council of Ministers of 22 July 2011 on the administrative protection of State Secrets and of classified information and the management of relations in the area of industrial security with the National Security Authority.

For more information on the powers delegated to the Chairman regarding the ICRMS, see Section 3.2.1 of this Report.

Furthermore, in accordance with the BoD Regulation, the Chairman - when exercising functions assigned by law and by the company By-laws, in line with the principles and recommendations of the Corporate Governance Code - liaises between the executive and non-executive directors and, with the support of the Secretary, ensures the smooth running of Board proceedings.

During the financial year, the Chairman was responsible for:

- with the support of their respective Chairmen, coordinating the Committees' activities with the Board's activities. In particular, all Board meetings included the report of the Committee Chairmen on their activities;
- in agreement with the Chief Executive Officer, participation in the meeting of company Managers and corporate department heads to ensure the availability of the requisite in-depth analysis of agenda items (for further information, see Section 2.2.6 of this Report above);
- with the Secretary's assistance, ensuring the adequacy of the pre-meeting briefing, and of additional

information provided at the meetings, in order to ensure that directors are well-informed when implementing their duties (for more information, see Section 2.2.6 of this Report);

- ensuring, with the Nomination Committee's support, the adequacy and transparency of the Board's self-assessment process (for more information, see Section 2.2.13 of this Report);
- in agreement with the Chief Executive Officer, the participation of members of the Board of Directors and the Board of Statutory Auditors in initiatives intended to provide them with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, in terms of Fincantieri's sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory reference framework (for further information, see Section 2.2.16 of this Report);
- in agreement with the Chief Executive Officer and with the assistance of the Secretary, ensuring the Board has been informed on the development and significant content of dialogue with shareholders (for further information, see Section 5.2 of this Report);
- with the assistance of the Secretary, ensuring timely information flows to Directors to enable them to act in an informed manner in their role.

At the date of this Report, the Chairman: (a) does not have significant management powers; (b) is not the main person responsible for the management of the Issuer and (c) is not the controlling shareholder of the Company.



2.2.8 Chief Executive Officer

The Chief Executive Officer in office at the date of this Report, Pierroberto Folgiero, was appointed by the Board of Directors on 16 May 2022.

On 30 June 2022, the Board of Directors also appointed Pierroberto Folgiero as Managing Director of the Company.

The Chief Executive Officer is the main person responsible for the management of the company.

Subject to the powers and responsibilities reserved to the Board, the CEO - in his capacity as head of the Company- is vested with authority to legally represent the Company subject to the limits of the powers conferred, and to manage the Company, in accordance with the policies formulated by the Board of Directors policy and in conformity with the disclosure obligations referenced in Article 2381 of the Italian Civil Code, and the CEO also has the following delegated powers, to be exercised with separate signature authority:

- a) to submit to the Board of Directors the annual business plans and budgets which define the company's strategic lines;
- b) to implement the resolutions of the corporate governing bodies, carrying out any acts resolved by the latter, including acts of extraordinary administration;
- c) to perform all acts of ordinary and extraordinary administration of the Company with the exception of acts that cannot be delegated according to law and those reserved exclusively to the Board of Directors.

The Chief Executive Officer's powers include, but are not limited to, the following:

- to represent the Company as claimant or defendant before any administrative, tax or judicial authority and to appoint lawyers and authorised representatives with general powers of attorney as well as special attorneys ad litem;
- to represent the Company before public and private bodies, entities and operators, national as well as international;
- to issue third parties - including state administrations, banks and lending institutions - with guarantees of at most EUR 500 million per transaction, as collateral for obligations undertaken and to be undertaken to any party, including by Fincantieri's subsidiaries or by any other company in which Fincantieri may have an interest, according to terms and conditions to be requested and, where urgent, guarantees exceeding EUR 500 million, subject to the duty to report same to the directors at the next Board of Directors meeting;
- to enter into any lending/borrowing transaction for amounts not exceeding EUR 500 million per transaction, including loans, undertaking the necessary commitments and implementing the necessary formalities;
- to draw up, sign, amend and terminate any deed or contract of relevance to the corporate purpose; also to establish, renew, reduce, subordinate and cancel mortgages and liens on ships or other products under construction or already built by the Company also in favour of third parties, settling any disputes in which the Company may be involved;
- to represent the Company - for this purpose delegating other persons as necessary - before entities and companies in which Fincantieri holds equity interests, shares or stakes or which it represents and, therefore, also in the ordinary and extraordinary Shareholders' Meetings of such entities and companies, exercising all other rights pertaining to such equity interests;
- to define the organization of the Company, after briefing the Board of Directors;
- to recruit, appoint and revoke the appointment of personnel at all levels including Managers, but excluding Managing Directors; to engage in personnel management activities at all levels, without limitation, also amending remuneration terms and conditions that are contained in employment contracts and settling any related disputes;
- to grant professional work assignments for an amount in excess (either individually or cumulatively) of EUR 100 thousand in the case of natural persons and EUR 500 thousand in the case of professional associations or legal persons, without prejudice to the right to grant assignments for a higher amount if assigned to

- i) natural persons registered in professional registers or lists; ii) professional associations between such natural persons; and iii) legal persons of national or international standing.

The Chief Executive Officer may - in the context of the abovementioned delegated powers - issue and revoke general and special powers of attorney for individual acts or transactions or for categories of acts or transactions, to/from Company employees and third parties, including those not of a temporary nature. The Board of Directors has also granted the Chief Executive Officer the following powers to be exercised in agreement with the Chairman: i) collaborating with the Chairman in developing the Company's national and international communication and institutional relations strategies and activities; ii) collaborating with the Chairman in defining and developing the Company's national and international strategies and institutional relations activities.

The CEO ensures that the Company's organizational, administrative and accounting structure is adequate to the nature and dimensions of the Company, and reports at least quarterly to the Board of Directors and to the Board of Statutory Auditors on the Company's operating performance, on its anticipated development, on any significant transactions and on the exercise of delegated powers.

2.2.9 Non-executive Directors

The number and competencies of non-executive directors (who represent the majority of the Board²⁰), are such as to ensure that they have a significant influence on Board decisions and that the Company's management is effectively monitored.

2.2.10 Independent directors

In accordance with Article 147-ter (4) of the Italian Consolidated Law on Finance (TUF), at least two of the members of the Board of Directors (when the latter is composed of more than seven members) must meet the independence requirements laid down for Statutory Auditors in Article 148 (3) of the Italian Consolidated Law on Finance (TUF).

Recommendation 5 of the Corporate Governance Code recommends that, in large companies with concentrated ownership such as Fincantieri, at least one-third of the Board of Directors will consist of independent directors: this means that they do not maintain, and have not recently maintained, even indirectly, any relations or dealings with the Issuer or persons linked to the Issuer, which could influence their independent judgement. The Code also recommends that the number and competencies of independent directors should be adequate to the Company's business needs, to the operation of the Board of Directors, and to the establishment of Board Committees.

The Board of Directors assesses the independence of its non-executive members' by focusing on substance rather than form, while noting that a director does not in general satisfy independence criteria in the cases (not mandatory) described in Recommendation 7 of the Corporate Governance Code.

Observing the foregoing, the Company's Board of Directors has an adequate number of independent directors, who contribute to the Board's proceedings through their independent and unbiased judgement on the matters that arise for discussion and decision, and whose presence ensures that the composition of the Board Committees reflects the recommendations of the Corporate Governance Code.

In particular, as of 31 December 2022 and at the date of the Report, six directors meet the independence requirements under Article 147-ter (4) and Article 148 (3) of the Italian Consolidated Law on Finance (TUF), and Article 2, recommendation 7 of the Corporate Governance Code. For more information, please see **Table 1** annexed to this Report.

The Directors attested their independence when appointed, by submitting appropriate declarations. Accordingly, the Board of Directors verified the fulfilment of these directors' independence requirements at the first Board meeting following their appointment, applying Article 2 of the Code. In this context, the independent directors have taken note of the provisions of Article 147-ter (4) of the Italian Consolidated Law on Finance (TUF), on disqualification from office in the event that their independence requirements are no longer met. The outcome of the assessment was announced in a press release disclosed to the market.

²⁰ As of 31 December 2022 and on the date of this Report, 8 out of 10 directors are non-executive directors.

This assessment is renewed annually. Lastly, after the Nomination Committee's investigation, on 27 January 2023 the Board of Directors verified that the independence requirements provided for by Article 147-ter (4), and Article 148 (3), of the Italian Consolidated Law on Finance (TUF) and by Recommendations 6 and 7 of the Corporate Governance Code, were fulfilled by the directors who declared to possess them as of 31 December 2022, taking into account the "Criteria for the significance of relationships and additional remuneration for the assessment of independence" which the Board of Directors confirmed on 1 June 2022. In this respect, commercial, financial or professional relationships are deemed, as a rule, to be significant if they provide the director with remuneration that exceeds his/her annual director's fee, or 5% of Fincantieri's average costs incurred in the last three financial years linked to relationships of the same commercial, financial or professional kind. In any case, the relationships will be deemed significant if the amount of the director's income exceeds Euro 200,000.00.

Also on 27 January 2023, the Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. In conformity with Recommendation 5 of the Corporate Governance Code, the independent directors met once during the financial year without the other directors, independently coordinating the meeting's proceedings. These directors also discussed, among other things, issues relating to the functioning and effectiveness of the Board of Directors and the Board Committees and formulated the proposal to appoint a Lead Independent Director.

2.2.11 Lead Independent Director

The Board of Directors, in compliance with the provisions of Recommendation 13 (c) of the Code, on the proposal of the Chairman of the Nomination Committee on behalf of all the independent Directors, at the Board meeting of 27 January 2023 appointed independent Director Valter Trevisani as Lead Independent Director ("LID") for the entire term of office of the Board of Directors. At this meeting, the Lead Independent Director Regulation (the "LID Regulation") was also approved, which governs how the LID is appointed, as well as the meetings of the independent directors.

In accordance with the provisions of the LID Regulation, the LID:

- represents a reference and coordination point for the requests and contributions of the Company's non-executive directors and, specifically, of the independent directors within the Board;
- collaborates with the Chairman of the Board to ensure that the Company's directors receive complete and prompt information flows;
- calls meetings of the Company's independent directors and coordinates these meetings to discuss issues of interest regarding the operation of the Board or the management of the Company;
- performs any further tasks assigned by the Board as they arise.

2.2.12 Secretary of the Board of Directors

At the Board of Directors' meeting of 1 June 2022, the Board of Directors, on the proposal of the Chairman, appointed its Secretary, identified as the Company's General Counsel.

The Secretary, in conformity with the provisions of the BoD Regulation, meets the requirements and criteria of professionalism and independent judgement and has suitable expertise in the fields of corporate law, regulated markets and corporate governance, as well as adequate experience as the Company Secretary of listed companies.

During the financial year, the Secretary supported the Chairman in his activities related to the proper operation of the Board, by providing impartial assistance and advice to the Board on all aspects of relevance to the proper functioning of the corporate governance system.

2.2.13 Assessment of the operation of the Board and the Board Committees

The Board of Directors in office until 16 May 2022, upon the proposal of the Nomination Committee, adopted the "Fincantieri Board Evaluation Procedure" (the "Board Evaluation Procedure") at its meeting of 28 January 2021, which was last reviewed by the Nomination Committee at its meeting on 25 July 2022. The Board Evaluation Procedure regulates the self-assessment process of the Board and its Committees (the "Board Evaluation"), in line with the Corporate Governance Code recommendations.

The Board Evaluation focuses on the size, composition and actual functioning of the Board and its Committees, also considering its role in defining strategies and monitoring operating performance and the adequacy of the internal control and risk management system.

In accordance with Recommendation 22 of the Corporate Governance Code, Board Evaluation is conducted at least every three years, to coincide with the renewal of the office; however, the Board is entitled, on the proposal of the Nomination Committee, to conduct the self-assessment of the Board and/or one or more of its Committees during the other financial years as well.

Fincantieri's Board Evaluation was launched, with a view to the Board's reappointment, in the second half of 2022 on the suggestion of the Nomination Committee, and was completed in early February 2023.

At the meeting of 16 February 2023, the Board of Directors acknowledged the outcomes of the Board Evaluation. In accordance with the Board Evaluation Procedure, the self-assessment consisted of three phases: i) launch, ii) investigation and iii) processing and evaluation of results. The analysis was conducted with the support of the Company Secretary, compiling a self-assessment questionnaire and by individually interviewing all Directors, in order to gather individual perspectives on the size, composition, operation and effectiveness of the Board and its Committees.

Based on the results, it was possible to conclude that the Board operates adequately and consistently with its mandate.

The survey provided an opportunity to examine the size, composition and functioning of the Board of Directors and its Committees, which the Directors expressed largely positive views about, providing some points for further improvement.

The outcomes of the Board Evaluation revealed, above all, a particular appreciation for the composition of the Board of Directors regarding gender plurality and the independent component.

The Board also assesses its operations in a positive light. Specifically, the Directors appreciate the contribution made by the Committees, and appropriately considered the proposals made by them.

With regard to the operation of the Board, the Board is generally satisfied with the quality, promptness and continuity of the information received. The level of depth of the topics brought to the Board's attention is also appreciated, which the Directors believe has improved over the first few months of their term.

In terms of the supporting documentation for the meetings, the majority of the Directors consider it to be transmitted in a regular and timely manner. The interviews also showed appreciation for the support provided by the Company Secretary and other corporate departments to support the Board's work.

The Board particularly appreciates the dynamics, functionality and atmosphere of Board meetings, where Directors feel empowered to express their opinions independently and autonomously. In this regard, the interviews revealed an appreciation for the discussions among the Directors and for the contribution each makes to the Board's activities, as well as for their participation in the Committees. The Directors are satisfied with the interaction with the Chairman, Chief Executive Officer and management.

Based on the results of the Board Evaluation, a number of proposals for improvement were also made, including:

- increase meetings with top management, whose input on matters for which they are responsible at Board meetings was particularly appreciated;
- schedule more induction activities, with the participation of management and with other visits to shipyards, focusing on core business activities, cost and debt issues, and organizational structure;
- increase actions aimed at fostering mutual acquaintance of Directors and strengthening their integration in group work, while respecting and enhancing the skills of individuals with the aim of realizing the company's strategic design.

At the Board meeting of 16 February 2023, the Board considered the advisability of conducting another Board Evaluation at mid-term, in addition to the end-of term evaluation already scheduled, possibly to be carried out with the help of an external consultant.

2.2.14 Succession of Directors and Top Management

The Board of Directors, on a proposal from the Nomination Committee and in accordance with the principles and recommendations of the Corporate Governance Code for large companies (see Recommendation 24), adopted (at its meeting of 16 February 2023) the "Succession Plan for the Chairman of the Board of Directors and the Chief Executive Officer", to apply in the event of i) temporary absence or indisposition that impedes the fulfilment of their duties for a limited period of time, and ii) early termination of their office.

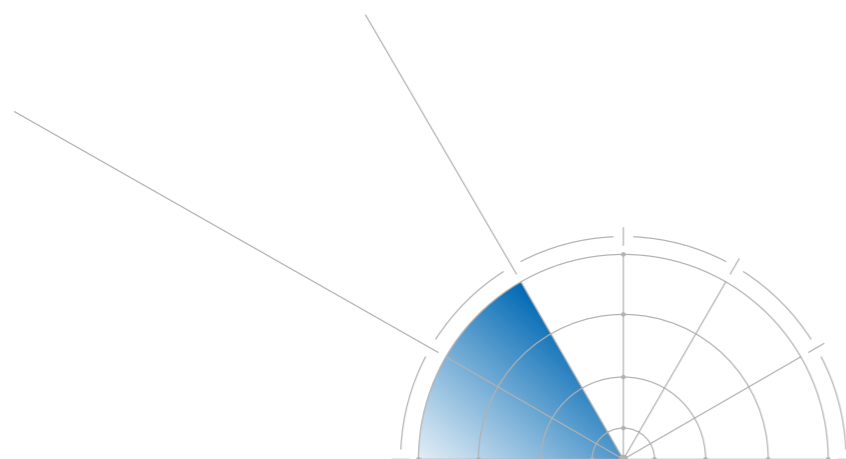
At the same meeting, the Board of Directors, again upon proposal by the Nomination Committee, also approved the "Guidelines for the succession of Fincantieri Top Management", approved by the previous Board of Directors on 28 January 2021, which, in conformity with the Corporate Governance Code, identify the principles to be applied when managing the succession of Top Management, with a view to ensuring that each key management position in Fincantieri is immediately filled, thereby guaranteeing the continuity of company management by enabling resources with the requisite professional expertise to be identified in good time to fill these positions. The Chief Executive Officer implements this succession process with the support of the Human Resources and Industrial Relations Department.

2.2.15 Remuneration

The remuneration of Directors is determined by the ordinary Shareholders' Meeting at the time of appointment.

The remuneration of Directors vested with the particular tasks referred to in Article 2389 (3) of the Italian Civil Code is instead determined by the Board of Directors in compliance with the applicable legislation in force.

More information on the remuneration of Directors, the Managing Director and other Managers with Strategic Responsibilities can be found in the Report on Remuneration Policy and Fees Paid prepared by the Company in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF) containing, among other things, information on the Remuneration Policy (as defined below) adopted by the Company, aimed to achieve the Company's strategic priorities and enhance its sustainable performance. This report is available on the Company's website at www.fincantieri.com within the Section "Governance and Ethics - Remuneration" and the Section "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting 2023".



2.2.16 Training of the Board of Directors

After the appointment of the new Board of Directors by the Shareholders' Meeting of 16 May 2022, the Company involved the Directors in induction activities aimed at enabling them to increase their knowledge of the Company from an industrial, operational and commercial perspective as well as a financial and governance perspective.

The induction activities involved both the entire Board of Directors and the members of the individual Committees for those aspects most specifically of interest to them, given the tasks they have been assigned, and also saw the participation of the members of the Board of Statutory Auditors.

In particular, the Board of Directors:

- visited the Monfalcone shipyard and received an explanation of the Group's shipyard system;
- met with the heads of the main businesses involved in the preparation of the 2023-2027 Business Plan and received an explanation of each business and its objectives. In particular, the Board met with the heads of:
 - i) Naval Vessels; ii) Merchant Ships; iii) Offshore and Specialized Vessels; iv) Infrastructure Cluster;
 - v) Electronics and Information Technology Cluster; vi) Accommodation Cluster and vii) Procurement.

The Control and Risk Committee received an explanation of i) the Internal Control Model adopted by the Company; ii) the impairment test procedure; iii) the activities carried out by the Internal Auditing Department; iv) the 231 Organizational Model; v) the Manual in accordance with Law 262/2005; and vi) the Group Risk Universe.

The Remuneration Committee received an explanation of the remuneration policy adopted by the Company. The Nomination Committee received an illustration of i) the methods and timing with which the previous Board in office until 16 May 2022 carried out the Board of Directors' self-assessment, in accordance with the "Fincantieri Board Evaluation Procedure" (for more information, see Section 2.2.13 of this Report); ii) the principles for the succession of Top Management contained in the Guidelines for the Succession of Top Management.

The Sustainability Committee:

- received an illustration of i) the ways in which Fincantieri integrates sustainability into its business, ii) the objectives the company has set in ESG areas, and iii) the projects in place, with particular reference to the issues of climate change, environmental impact of products and services, innovation, research and development, human resources development and protection, health and safety in the workplace, and sustainable supply chain;
- initiated a series of meetings with the corporate functions most involved in sustainability issues, to achieve a better and deeper understanding of the operating methods with which sustainability issues are addressed and managed within the Group.

2.3 Board Committees

The Board Committees support the Board of Directors to create long-term value for the benefit of shareholders, considering the interests of other stakeholders relevant to the Company as required by the Corporate Governance Code. The Board of Directors has established four internal committees with preliminary, propositional and consultative functions, specifically: the Control and Risk Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee²¹.

Their composition, duties and operating procedures, as well as the powers and means attributed to them, are governed by specific regulations approved by the Board of Directors at the time the aforesaid Committees were established and subsequently amended, based on the changes introduced periodically to the Corporate Governance Code and to make them more functional in their advisory and support role for the Board of Directors.

The Board Committees are composed of four directors. In accordance with the recommendations for large companies in the Corporate Governance Code (see Recommendation 17), the Board appoints the members of the

Committees while avoiding an excessive concentration of offices. All members of the Committees are non-executive Directors, the majority of whom are independent and have functional powers to perform the tasks assigned to them. Furthermore, within the Control and Risk Committee, at least one member has adequate knowledge and experience in accounting and finance or risk management, while within the Remuneration Committee, at least one member has appropriate knowledge and experience in financial or remuneration policy matters.

Each Committee Chairman is appointed by the Board of Directors. The Secretary of the Board or another person identified by him/her within the Legal and Corporate Affairs Department acts as the secretary for each Committee. If the Secretary of the Board of Directors does not act as secretary of the Committees, he/she attends the meetings of the Committees at the invitation of the Committee Chairman.

Furthermore, the Committee Chairman may invite the Chairman of the Board, the Chief Executive Officer, the other directors and, after informing the Chief Executive Officer, representatives of the relevant corporate functions to individual meetings; the Chairman of the Board of Statutory Auditors or another member designated by him takes part in the work of the Committee.



²¹ The Sustainability Committee was established on 8 June 2016, while the Control and Risk Committee and the Nomination Committee were established by the Board of Directors on 5 May 2014, with effectiveness subordinate to the start of trading of the Company's shares on the MTA of Borsa Italiana on 3 July 2014. The Remuneration Committee had already been established.

The committees meet periodically and as often as necessary to perform their duties. Committee meetings are convened by the Committee Chairman or when requested by at least two Committee members to discuss a specific topic considered to be of particular importance. The Secretary sends the notice of the call, at the request of the Committee Chairman, by loading it onto the dedicated reserved portal at least three days prior to the meeting. The Secretary provides Committee members (in general simultaneously with the notice of call) with any available documentation related to the items on the agenda.

A Committee meeting is validly constituted if the majority of Committee members in office are present, and resolutions are passed by the absolute majority vote of those present. In the event of a tie, the vote of the Chairman of the Committee prevails.

Committees are entitled to have access to company information and to corporate departments as required to enable them to effectively perform their duties.

Minutes of the meetings are taken by the Secretary of each Committee. The draft minutes are submitted to the Chairman of the Committee and the other members for their comments. The minutes are signed by the Chairman and the Secretary and are transmitted to Committee members and other participants.

Each Committee Chairman shall inform the next Board meeting of the date of meetings actually held and also of their subject matter and content.

In order to carry out their duties, Committees may use the expertise of external consultants via the Company's structures and at the Company's expense, provided that they are adequately bound to confidentiality. Committees may also, if they consider it necessary, prepare an annual Committee budget to be submitted to the Board of Directors for its approval.

2.3.1 Control and Risk Committee

Composition

As at 31 December 2022 and on the date of this Report, the Control and Risk Committee consisted of the Directors Alberto Dell'Acqua (non-executive and independent), Paolo Amato (non-executive and independent), Massimo Di Carlo (non-executive and non-independent) and Cristina Scocchia (non-executive and independent), appointed by the Board of Directors on 1 June 2022. On the same date, the Board appointed Director Alberto Dell'Acqua as Chairman of the Committee.

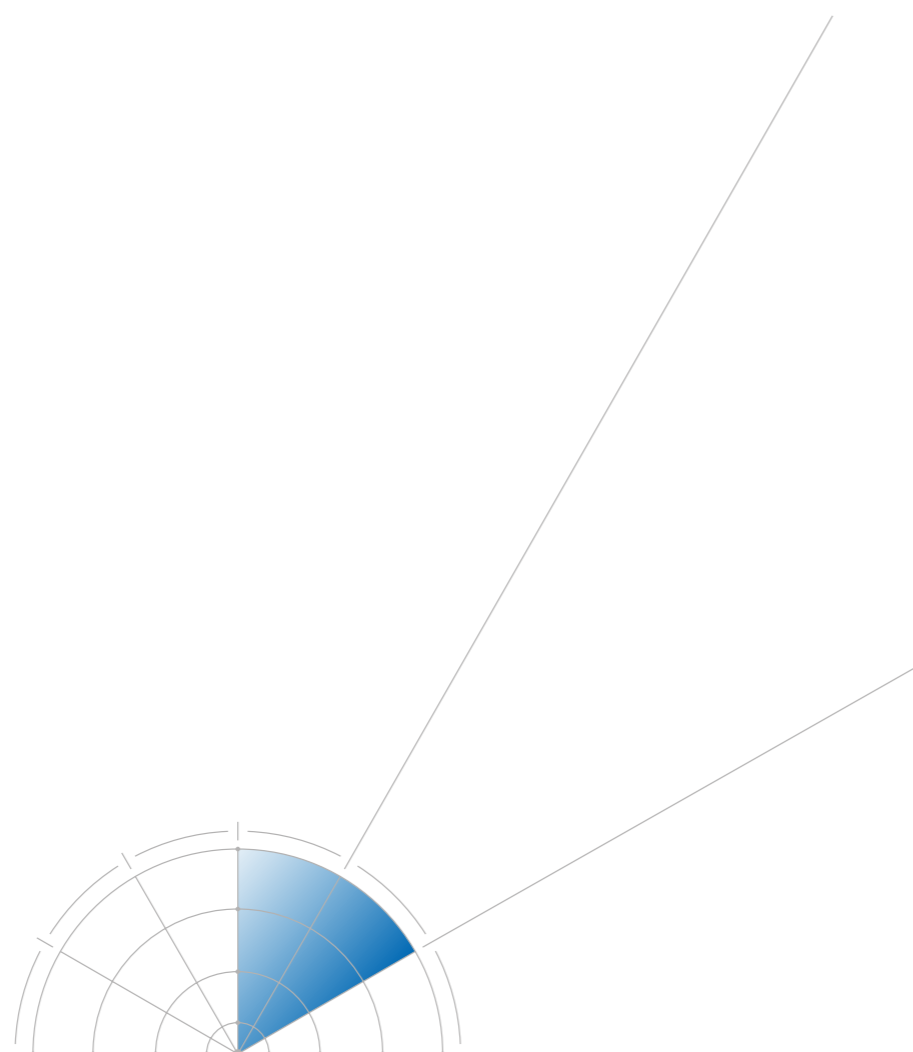
As a whole, the Committee has adequate expertise in the business sector in which the Company operates to assess the relevant risks. Furthermore, all Committee members have adequate knowledge and experience in accounting and finance and/or risk management, verified by the Board at the time of appointment.

Given the above, when the Control and Risk Committee meets as the RPT Committee to express its opinion on the most significant related party transactions (see the section "Tasks" below), it consists of four non-executive Directors who are all independent and, therefore, the non-independent member - Director Massimo Di Carlo - is replaced by the non-executive and independent Director Valter Trevisani, who was identified for this purpose by the Board of Directors during the meeting of 1 June 2022.

Tasks

The Control and Risk Committee carries out investigative, propositional and advisory activities whenever the Board is called on to make assessments or make decisions concerning the Company's internal control and risk management system. In this context, the Committee:

- supports the Board:
 - in defining the guidelines for the internal control and risk management system in line with the Company's strategies and assess, and by regularly assessing the extent to which it is adequate to the nature and characteristics of the company and to the risk profile assumed, as well as its effectiveness;
 - in matters concerning the appointment, removal and remuneration of the Head of Internal Auditing, and the adequacy of resources assigned to the latter in order to perform the relevant tasks;
 - in approving the business plan prepared by the Head of Internal Auditing;
 - when allocating the Supervisory Body's functions in accordance with Legislative Decree 231/2001 and with the appointment of any members;
 - when assessing the external audit firm's findings as set out in any Management Letter, and in the additional report addressed to the Board of Statutory Auditors;
 - when providing a description - in the Report on Corporate Governance- of the main characteristics of the internal control and risk management system and the methods of coordination among those involved, as well as when making an assessment of the adequacy of the system;
- examines the Company and Group Business Plan, with particular reference to issues relevant to the generation of long-term value, and reports to the meeting of the Board called to approve it;
- assesses - together with the Officer in Charge and after having consulted with the external audit firm and the Board of Statutory Auditors - the correct application of accounting standards and their uniformity for the purposes of drawing up periodic financial reports;
- assesses whether or not the periodic financial information and the non-financial declaration (Sustainability Report) provided for by Legislative Decree 254/2016, correctly represents the Company's business model and business strategies, the impact of its activities and the performance achieved, coordinating with the Sustainability Committee for the part within its remit;
- examines the content of the non-financial declaration - Sustainability Report, provided for by Legislative Decree 254/2016, relevant for the purposes of the internal control and risk management system, in coordination with the Sustainability Committee;



- expresses opinions on specific aspects relating to the identification of the main business risks, and supports the Board's assessments and decisions on the management of risks arising from adverse events or facts made known to the Board;
- examines periodic reports and those of particular importance prepared by the Internal Auditing Department, and monitors the independence, adequacy, effectiveness and efficiency of this department;
- may request the Internal Auditing Department to carry out checks on specific operating areas, simultaneously notifying the Chairman of the Board of Statutory Auditors and the Chairman, except where the subject-matter of the request relates specifically to those persons' activities;
- reports to the Board on the activities carried out and also on the adequacy of the internal control and risk management system, at least every six months, and no later than the deadline for approving the financial statements and the 6-monthly financial report, at the Board meeting indicated by the Chairman of the Board of Directors;
- exchanges with the Board of Statutory Auditors information relevant to the performance of their respective duties.

The Committee also supports the Board in assessing if it is appropriate to adopt measures to ensure that the risk management and the legal and non-conformity risk monitoring functions are effective and impartial, and in verifying that the professional competencies and resources of these functions are adequate. To this end, the Committee:

- reviews a report each year (before it is submitted to the Board), drawn up by the risk management and legal and nonconformity risk monitoring functions, on the activities carried out, containing specific indications on the organizational structure and the measures aimed at ensuring its effectiveness and impartiality;
- upon the conclusion of the review, makes proposals to the Board as appropriate.

Furthermore, the Control and Risk Committee has been provisionally assigned the functions of Committee responsible in the area of related party transactions under the Consob Related Party Transaction Regulation, as described in greater detail in Section 4.1 below. The Remuneration Committee, on the other hand, has been provisionally assigned the functions of a Committee with competence for related party transactions in relation to remuneration, as described in Section 2.3.2 below.

Activities carried out

During the financial year, the Control and Risk Committee met 12²² times, with an average meeting duration of about 101 minutes and average member attendance of 92%.

Table 2 annexed to this Report shows each member's percentage attendance at Committee meetings.

Participation in Control and Risk Committee meetings by non-members was based on invitation by the Chairman of the Committee and on individual meeting agenda items. The Chief Executive Officer was informed of this participation.

Control and Risk Committee meetings held during the year were attended by at least one member of the Board of Statutory Auditors and, on the invitation of the Committee Chairman and depending on agenda items, by the Chief Executive Officer, the Chief Financial Officer, the Officer in Charge, the Head of Internal Auditing and the other function heads with responsibility for decision-making and/or managerial processes.

The meetings were all duly called by the Committee Chairman with at least three days' notice. As a rule, within the same timeframe, the documents relating to the items on the agenda were made available to the members on a special portal with restricted access.

The meeting minutes were duly recorded by the Secretary.

During the financial year, the work was coordinated by the Chairman of the Committee, who reported at on the Committee's work to the Board of Directors and presented the Committee's Periodic Reports as at 30 June 2022 and 31 December 2022 on 26 July 2022 and 16 February 2023, respectively.

²² Of which 2 as the RPT Committee.

For the 2023 financial year, three meetings of the Committee have been held as at the date of this Report.

The following is a summary of the main topics examined by the Committee during the financial year.

Both the previous Committee in **office until 16 May 2022** and the **Committee in office from 1 June 2022**, among other activities:

- reviewed the Head of Internal Auditing's periodic reports on the progress of the activities carried out;
- have expressed their opinion to the Board of Directors that the Head of Internal Auditing has adequate resources to fulfil the assigned responsibilities;
- assisted the Board of Directors by assessing, together with the Officer in Charge and after consulting the Audit firm and the Board of Statutory Auditors, the correct use of accounting principles and their uniformity for the purposes of preparing periodic financial reports;
- supported the Board of Directors in their evaluations and decisions on the approval of periodic financial reports;
- verified compliance with administrative and accounting procedures in accordance with Law 262/2005;
- reported to the Board on their activities during the financial year, submitting the relevant reports.

During the financial year, the previous **Committee in office until 16 May 2022**, among other things:

- assessed the internal control and risk management system as being effective and adequate to the nature and characteristics of the enterprise and the risk profile undertaken, expressing its opinion to the Board of Directors;
- assessed the outcomes of the audit activities performed during 2021 based on examination of the annual report of the Head of Internal Auditing, expressing its opinion to the Board of Directors on whether there are adequate resources available to perform the assigned duties;
- expressed its opinion to the Board of Directors on the approval of the annual audit plan for the 2022 financial year drawn up by the Head of Internal Auditing and monitored the independence, adequacy, effectiveness and efficiency of the Internal Auditing Department;
- gave a positive opinion on the ERM - Risk Assessment Report as at 31 December 2021;
- assessed the organizational, administrative and accounting structure of the Company and its main subsidiaries to be adequate, also verifying that the Officer in Charge has adequate powers and resources to perform the duties assigned, and overseeing the latter's actual compliance with administrative and accounting procedures;
- expressed its opinion to the Board of Directors opinion on the impairment test procedure on equity investments and goodwill as of 31 December 2021 and its outcomes;
- examined the financial statements and Consolidated Financial Statements as at 31 December 2021;
- submitted to the Board of Directors the proposal for the allocation of the profit resulting from the financial statements as at 31 December 2021;
- examined the presentation of the main balance sheet risks and valuations;
- assessed the content of the 2021 Sustainability Report as adequate for the purposes of the internal control and risk management system;
- assessed as adequate the description in this Report of the main characteristics of the internal control and risk management system and methods of coordination among the persons involved;
- expressed its opinion to the Board of Directors on the contents of the additional report of the Audit firm addressed to the Board of Statutory Auditors;
- expressed a positive opinion of the effectiveness and impartial judgement of the Risk Officer, the Ethical Compliance Office and the Trade Compliance Office, finding both their professionalism and resources adequate.

During the financial year, the **Committee in office from 1 June 2022**, among other things:

- heard from the Chief Financial Officer, the Officer in Charge and the Head of Internal Auditing several times on the management of the Company's main risks;
- reviewed and reported to the Board of Directors on the Company's 2023-2027 Business Plan, with particular reference to issues relevant to the generation of long-term value;
- expressed a favourable opinion to the Board of Directors on the appointment and remuneration of the Head of Internal Auditing;
- expressed a favourable opinion with reference to the 2022 version of the Manual in accordance with Law 262/2005;
- expressed a positive opinion on the updating of the 231 Organizational Model;
- based on the information provided by the Head of the Anticorruption Function, expressed its positive assessment to the Board of the suitability, adequacy and effectiveness of the Anticorruption management system.

During 2022, the Control and Risk Committee also met twice as the RPT Committee, once in its previous composition until 16 May 2022 and once in its new composition as of 1 June 2022.

In particular, the previous **Committee in office until 16 May 2022** as the RPT Committee was informed, in accordance with Section 7.3 of the RPT Regulations, of the preliminary stage of a possible related party transaction. The **Committee in office as of 1 June 2022** expressed its favourable opinion on the correct application of the exemption from the RPT Standard in accordance with Section 6.2. i) of the RPT Regulation with reference to most significant related party transactions concluded in the second quarter of the financial year.

In addition, during the first months of 2023, the Committee, among other things:

- assessed the internal control and risk management system as adequate and effective in relation to the characteristics of the enterprise and the risk profile assumed, expressing its opinion to the Board of Directors, monitoring the autonomy, adequacy, effectiveness and efficiency of the Internal Auditing Department;
- assessed the outcomes of the audit activities performed during 2022 and expressed its opinion to the Board of Directors on the annual audit plan for 2023 and on whether the Head of Internal Auditing is adequately resourced to perform the assigned duties;
- gave a positive opinion on the ERM - Risk Assessment Report as of 31 December 2022;
- assessed the organizational, administrative and accounting structure of the Company and its main subsidiaries to be adequate, also verifying that the Officer in Charge has adequate powers and resources to perform the duties assigned, and overseeing the latter's actual compliance with administrative and accounting procedures;
- expressed its opinion to the Board of Directors opinion on the impairment test procedure on equity investments and goodwill as of 31 December 2022 and examined its outcomes;
- examined the financial statements and Consolidated Financial Statements as at 31 December 2022;
- examined the presentation of the main balance sheet risks and valuations;
- assessed the content of the 2022 Sustainability Report relevant to the internal control and risk management system as adequate;
- assessed as adequate the description in this Report of the main characteristics of the internal control and risk management system and methods of coordination among the persons involved;
- i) expressed a positive assessment of the effectiveness and impartial judgement of the Risk Officer and the Ethical Compliance Office, considering their professionalism and resources adequate, and ii) expressed a positive assessment of the effectiveness and impartial judgement of the corporate functions in charge of monitoring legal and nonconformity risk within the Legal and Corporate Affairs Department and agreeing on the advisability of supplementing their staff;
- reported to the Board on its activities during the financial year, submitting the relevant report.

In order to perform its activities during the Financial Year, the Committee made use of the Company's corporate resources and structures, an external consultant and, when necessary, the cost centre provided for the Board of Directors.

2.3.2 Remuneration Committee

Composition

As at 31 December 2022 and the date of this Report, the Remuneration Committee was composed of the Directors Paola Muratorio (non-executive and independent), Alberto Dell'Acqua (non-executive and independent), Massimo Di Carlo (non-executive and non-independent) and Valter Trevisani (non-executive and independent), appointed by the Board of Directors on 1 June 2022. On the same date, the Board of Directors appointed Director Paola Muratorio as Chairman of the Committee.

All the members have appropriate knowledge and experience in financial or remuneration policy matters, evaluated by the Board of Directors when nominated.

In any case, no Director takes part in the Committee meetings in which proposals to the Board concerning his or her remuneration are formulated.

Tasks

The Remuneration Committee carries out investigative, propositional and consultative activities whenever the Board has to make assessments or make decisions on the remuneration of Directors, of the members of the supervisory body or on the Remuneration Policy for Managers with strategic responsibilities ("Top Management"). In particular, the Committee:

- assists the Board of Directors in drawing up the policy on the remuneration of the members of the boards of directors, managing directors and Managers with strategic responsibilities in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF) (the "Remuneration Policy" or the "Policy"), performing the tasks assigned to it by the Corporate Governance Code and the "Procedure for the preparation of the Remuneration Policy and the assessment of the consistency of the remuneration paid" approved by the Board of Directors on 28 January 2021 (the "Remuneration Policy Procedure");
- submits proposals and gives opinions to the Board of Directors on the remuneration of executive directors and other directors who hold special offices, and also on the setting of performance objectives related to the variable component of such remuneration;
- supports the Board in verifying that the remuneration paid is consistent with the principles and criteria defined by the Policy, carrying out the tasks envisaged by the Remuneration Policy Procedure for this purpose;
- monitors annually (or at different intervals determined by the Board) the effective application of the Policy, based on procedures envisaged by the Remuneration Policy Procedure, verifying, in particular, the effective achievement of the performance targets correlated with the variable component of the remuneration of executive directors, or of other directors vested with special offices;
- periodically assesses the overall adequacy and consistency of the Policy;
- assesses the outcome of the Shareholders' Meeting vote on the Remuneration Policy.

In carrying out these functions, and within the scope of its remit, the Committee prepares and submits to the Board of Directors proposals for medium/long-term incentive systems for top management, including any share-based remuneration plans, and monitors their application.

Furthermore, the Remuneration Committee has been appointed to act as a Committee with competence in the area of related party transactions, in cases where resolutions are to be adopted in the remuneration area.

Activities carried out

During the financial year, the Remuneration Committee met six times, with an average meeting duration of about 84 minutes and an average member attendance of 96%.

Table 2 annexed to this Report shows each member's percentage attendance at Committee meetings.

Participation in the Remuneration Committee meetings by non-members was based on invitation by the Chairman of the Committee and on individual meeting agenda items. The Chief Executive Officer was informed of this participation.

In particular, Remuneration Committee meetings held during the year were attended by at least two members of the Board of Statutory Auditors and, on the invitation of the Committee Chairman and depending on agenda items, by the Head of Human Resources and Industrial Relations, the Deputy Head of the same department, the Chief Financial Officer, and the other function heads with responsibility for decision-making and/or managerial processes.



The meetings were all duly called by the Committee Chairman with at least three days' notice. As a rule, within the same timeframe, the documents relating to the items on the agenda were made available to the members on a special portal with restricted access.

The meeting minutes were duly recorded by the Secretary.

During the financial year, the work was coordinated by the Chairman of the Committee, who reported at on the Committee's work at each Board of Directors meeting.

For the 2023 financial year, three meetings of the Committee have been held as at the date of this Report.

The following is a summary of the main topics examined by the Committee during the financial year.

The previous **Committee in office until 16 May 2022**, among other things:

- prepared the first section of this Report on Remuneration Policy and Fees Paid in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF), containing a new proposed Remuneration Policy for the year 2022, and expressed its opinion on the second section of the aforementioned report, submitting the document to the Board of Directors for approval;
- examined, with the support of an external consultant and jointly with the Sustainability Committee, the issue of the gender pay gap with regard to the remuneration of the Company's employees.

The **Committee in office from 1 June 2022**, among other things:

- examined, with the support of an external consultant, the results of the remuneration benchmarking analysis for the purpose of determining the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board Committees;
- expressed its favourable opinion on the fixed component of the remuneration of the Chairman and the Chief Executive Officer;
- expressed a favourable opinion on the remuneration of the members of the Board Committees and their Chairs;
- expressed a favourable opinion on the achievement of the MBO-related performance targets for 2021 of the previous Chairman and Chief Executive Officer;
- expressed a favourable opinion on the definition of the MBO-related performance targets for 2022 for the Chairman and the CEO in office;
- expressed a favourable opinion on the Company's proposals regarding the achievement of targets and the allocation of shares to the beneficiaries of the first cycle of the 2019 - 2021 Performance Share Plan;
- expressed a favourable opinion on the Company's proposals on the identification of the beneficiaries of the first cycle of the 2022 - 2024 Performance Share Plan, as well as on the determination of the rights to be assigned to each beneficiary;
- reviewed the outcome of the Shareholders' Meeting vote on the Remuneration Policy.

In addition, during the first months of 2023, the Committee, among other things:

- finalised the performance targets for the MBO for 2023 of the Chairman and Chief Executive Officer and Managing Director to be submitted to the Board of Directors for approval;
- prepared this Report on Remuneration Policy and Fees Paid in accordance with Article 123-ter of the Italian Consolidated Law on Finance (TUF) to be submitted to the Board of Directors for approval.

During the financial year, to perform its duties, the Committee deployed the Company's resources, facilities and functions, as well as external consultants (after ascertaining that these were not in situations of conflict that might compromise their independence of judgement) in order to carry out its activities and, as required, also the cost centre provided for the Board of Directors.

2.3.3 Nomination Committee

Composition

As at 31 December 2022 and on the date of this Report, the Nomination Committee was composed of Directors Cristina Scocchia (non-executive and independent), Alessandra Battaglia (non-executive and non-independent), Valter Trevisani (non-executive and independent) and Alice Vatta (non-executive and independent), appointed by the Board of Directors on 1 June 2022. On the same date, the Board appointed Director Cristina Scocchia as Chairman of the Committee.

Tasks

The Nomination Committee performs investigative, propositional and consultative activities whenever the Board is called on to make assessments or take decisions on the appointment of Directors or on the Board of Directors' self-assessment. In particular, the Committee: assists the Board:

- in the self-assessment activities of the Board and of its Committees, which is regularly carried out during the last year of the Board's term in view of its reappointment but also during the other years, where appropriate, supporting the Chairman in ensuring that the Board Evaluation process is adequate and transparent;
- in defining the optimal composition of the Board and its Committees;
- in identifying candidates for the office of director in cases of co-option;
- in the outgoing Board's presentation (as applicable) of a slate of candidates for the office of director, which should be formulated and presented in a transparent fashion;
- in drawing up guidelines on the maximum number of offices in management or control bodies that a Company director may hold, as well as advisory activities concerning the associated periodic checks;
- in preparing, updating and implementing any succession plan for the Chief Executive Officer and the other executive directors, which, as a minimum, identifies the procedures to be followed in the event of early termination of office;
- in ensuring that adequate procedures are in place for the succession of Managers with strategic responsibilities;
- in advisory activities related to annual checks on directors' independence (also based on the quantitative and qualitative criteria approved by the Board) and integrity requirements, and on the existence of any basis for their ineligibility or incompatibility for office;
- in assessing whether the Company has adopted suitable diversity policies to be applied in relation to the composition of the management and audit bodies, with regard to aspects such as age, gender balance and the educational and professional background of its members, defining their objectives and implementation methods.

The Committee also gives its opinion to the Board as to whether any directors' activities are in competition with the Company's activities, where the Shareholders' Meeting authorises, on a general and preventive basis, exemptions from the non-competition prohibition provided for in Article 2390 of the Italian Civil Code.

Activities carried out

During the financial year, the Nomination Committee met four times, with an average meeting duration of about 39 minutes and an average member attendance of 81%.

Table 2 annexed to this Report shows each member's percentage attendance at Committee meetings. Participation in the Nomination Committee meetings by non-members was based on invitation by the Chairman of the Committee and on individual meeting agenda items. The Chief Executive Officer was informed of this participation.

In particular, meetings of the Nomination Committee held during the Year were attended by at least one

member of the Board of Statutory Auditors and, at the invitation of the Committee Chairman and depending on the topics, the General Counsel, the Head of the Human Resources and Industrial Relations Department, the Deputy Head of the same Department and the other heads of functions involved in decision-making and/or management processes.

The meetings were all duly called by the Chairman with at least three days' notice. Always within the same timeframe, the documents relating to the items on the agenda were made available to the members on a special portal with restricted access.

The meeting minutes were duly recorded by the Secretary.

During the financial year, the work was coordinated by the Chairman of the Committee, who reported on the Committee's work at each Board of Directors meeting.

For the 2023 financial year, two meetings of the Committee have been held as of the date of this Report.

The following is a summary of the main topics examined by the Committee during the financial year.

The previous **Committee in office until 16 May 2022**, among other things:

- supported the Board of Directors in carrying out the investigative activities related to the verification of the existence of the independence and integrity requirements of the Board of Directors members and the absence of causes of incompatibility, ineligibility or disqualification for the same;
- supported the Board of Directors in carrying out the investigative activities related to the verification on the number of offices held by the Directors, in relation to the guideline on the maximum number of offices of director or auditor can be considered compatible with the effective performance of the office of Director of the Company;
- issued its opinion on the possible adoption of a diversity policy in relation to the composition of the administration and control bodies, not deeming it necessary considering the existence of laws and provisions in the Company's by-laws that already ensure such diversity, as well as the composition of the Board of Directors then in office, which already reflected adequate diversity in terms of age, gender, and educational and professional background;
- completed advisory activities related to the board evaluation of the Board of Directors with reference to the year 2021, submitting the report containing the outcomes to the Board of Directors.

The **Committee in office as of 1 June 2022**, among other things, initiated the work on the board evaluation of the Board of Directors for the 2022 Financial Year.

In addition, during the first months of 2023, the Committee, among other things:

- supported the Board of Directors in its advisory activities related to the verification i) of the existence of the independence and integrity requirements of the Board of Directors members and the absence of causes of incompatibility, ineligibility or disqualification for the same, as well as ii) on the number of offices held by the Directors, in compliance with the guideline on the maximum number of offices of director or auditor considered compatible with the effective performance of the office of Director of the Company;
- issued its opinion on the possible adoption of a diversity policy in relation to the composition of the Board of Directors and control bodies, not deeming it necessary for the reasons identified in Sections 2.2.5;
- completed activities related to the board evaluation for the 2022 financial year, submitting the report containing the outcomes to the Board of Directors;
- updated the Succession Plan for the Chairman of the Board of Directors and the Chief Executive Officer, submitting it to the Board of Directors for approval, and expressed a positive opinion on the adequacy of the procedures for the top management succession adopted by the Company.

In carrying out its activities, the Committee made use of the Company's corporate resources and structures.

2.3.4 Sustainability Committee

Composition

As at 31 December 2022 and the date of this Report, the Sustainability Committee was composed of Directors Paolo Amato (non-executive and independent), Alessandra Battaglia (non-executive and non-independent), Paola Muratorio (non-executive and independent) and Alice Vatta (non-executive and independent), appointed by the Board of Directors on 1 June 2022. On the same date, the Board appointed Director Paolo Amato as Chairman of the Committee.

Tasks

The Sustainability Committee performs advisory, propositional and consultative activities whenever the Board of Directors is called on to make assessments or take decisions that involve sustainability issues, in the exercise of the Company's activities or in interaction with stakeholders, including by integrating sustainability issues in corporate strategies. In particular, the Committee:

- examines the adequacy of the Company's sustainability policies in the light of its strategic guidelines by monitoring international best practices;
- supports the Board, also by proposing initiatives, taking into account issues dealt with in the NFD, by examining policies that impact on the environment, on the Company or on dealings with all stakeholders, particularly in relation to:
 - respect for human rights, labour rights, diversity and equal opportunities and their promotion by the Company;
 - the development and protection of human resources with a particular focus on employee training and corporate welfare activities;
 - health and safety in the workplace;
 - environmental management, in connection with climate change and the environmental impact of the Company's products, production process and activities;
 - business integrity, transparency and Anticorruption;
 - data and information security;
 - product quality and safety, with a special focus on customer satisfaction;
 - research, development and innovation activities;
 - procurement processes with particular reference to the integration of sustainability issues;
 - initiatives aimed at local communities and stakeholders in general;
- identifies and indicates to the Board, also in cooperation with the Control and Risk Committee, the specific financial and non-financial risks to the company's business represented by sustainability issues;
- monitors the performance of the main sustainability ratings and makes proposals aimed at improving the Company's relative positioning;
- examines the NFD before the Board, and issues an opinion on it
- examines the Sustainability Plan and monitors the progress of the objectives contained in it;
- examines the strategic lines of the business plan before it is submitted to the Control and Risk Committee.

The Committee operates with the support of the Sustainability Unit, which reports directly to the Chief Financial Officer (CFO), in coordinating the multifunctional working group, in which the representatives of functions most involved in sustainability issues participate.

Activities carried out

During the 2022 financial year, the Sustainability Committee met nine times, with an average meeting duration of about 139 minutes and an average member attendance of 97%.

Table 2 annexed to this Report shows each member's percentage attendance at Committee meetings. Participation in the Sustainability Committee meetings by non-members was based on invitation by the Chairman of the Committee and on relevant meeting agenda items. The Chief Executive Officer was informed of this participation.

Sustainability Committee meetings held during the year were attended by at least one member of the Board of Statutory Auditors and, on the invitation of the Committee Chairman and depending on subject matter, by the Chief Financial Officer, the Head of Sustainability and by the other function heads with responsibility for decision-making and/or managerial processes.

The meetings were all duly called by the Chairman with at least three days' notice. Always within the same timeframe, the documents relating to the items on the agenda were made available to the members on a special portal with restricted access.

The meeting minutes were duly recorded by the Secretary.

During the financial year, the work was coordinated by the Chairman of the Committee, who reported on the Committee's work at each Board of Directors meeting.

For the 2023 financial year, four meetings have been held as of the date of this Report.

The following is a summary of the main topics examined by the Committee during the financial year.

The previous **Committee in office until 16 May 2022**, among other things:

- expressed its favourable opinion on the Materiality Matrix for 2022;
- reviewed and submitted the 2022 Sustainability Report to the Board of Directors for approval;
- reviewed progress on the goals of the 2018-2022 Sustainability Plan;
- reviewed the sustainability ratings awarded to the Company;
- examined, with the support of an external consultant and jointly with the Remuneration Committee, the issue of the gender pay gap with regard to the remuneration of the Company's employees.

The **Committee in office from 1 June 2022**, among other things:

- reviewed progress on the goals of the 2018-2022 Sustainability Plan and started the activities for the preparation of the 2023-2027 Sustainability Plan;
- examined the strategic lines of the Company's 2023-2027 Business Plan and reported the relative outcomes to the Board.

In addition, during the first months of 2023, the Committee, among other things:

- completed its advisory activities on the 2023-2027 Sustainability Plan, submitting it to the Board of Directors for approval;
- reviewed the Sustainability Report for the 2022 financial year to be submitted to the Board of Directors for approval.

In carrying out its activities during the financial year, the Committee made use of the Company's corporate resources and structures as well as external consultants.

2.4 Board of Statutory Auditors

2.4.1 Composition of the Board of Statutory Auditors

In accordance with Article 30.1 of the By-laws, the Board of Statutory Auditors consists of three Standing Auditors and three Alternate Auditors appointed by the Company's ordinary Shareholders' Meeting following the procedure described in Section 2.4.2 below.

The Board of Statutory Auditors in office as of 31 December 2021 and as of the date of this Report was appointed by the Company's Ordinary Shareholders' Meeting on 9 June 2020 for the three-year period 2020 - 2022, and therefore expiring on the date of approval of the financial statements for the year ending 31 December 2022, and is composed of the Standing Auditors Gianluca Ferrero (Chairman), Rossella Tosini and Pasquale De Falco.

The Shareholders' Meeting of 9 June 2020 also appointed Alberto De Nigro, Valeria Maria Scuteri and Aldo Anellucci as Alternate Auditors.

The appointment was made based on the slates submitted by the shareholders in accordance with Article 30 of the By-laws. Specifically, and in accordance with the time limits and procedures prescribed by applicable rules, 3 slates of candidates were submitted, namely:

- on 6 May 2020, the slate presented by the shareholders ARCA Fondi SGR S.p.A. manager of the fund Fondo Arca Economia Reale Bilanciato Italia 30; Eurizon Capital S.A. manager of the fund Eurizon Fund Italian Equity Opportunities segment; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni PMI Italia, Eurizon PIR Italia 30, Eurizon PIR Italia Azioni, Eurizon Progetto Italia 20, Eurizon Progetto Italia 40, Eurizon Progetto Italia 70; Kairos Partners SGR S.p.A. as management company of Kairos International SICAV - Key segment; Mediolanum Gestione Fondi SGR S.p.A. as manager of the Mediolanum Flessibile Sviluppo Italia fund; Mediolanum International Funds Limited - Challenge Funds - Challenge Italian Equity, holders of a total of 17,248,441 ordinary shares, representing 1.01482% of Fincantieri's share capital. This slate was identified as No. 1 and listed the following candidates: Silvia Muzi (standing statutory auditor) and Mario Matteo Busso (alternate auditor);
- on 7 May 2020, a slate submitted by the shareholder INARCASSA was filed, owner of 37,413,215 ordinary shares, equal to 2.201% of the Fincantieri share capital. This slate was identified as No. 2 and listed the following candidates: Gianluca Ferrero (standing statutory auditor) and Alberto De Nigro (alternate auditor);
- on 15 May 2020, a slate submitted by the shareholder CDP Industria S.p.A. was filed, owner of a total of 1,212,163,614 ordinary shares, equal to 71.318% of the Fincantieri share capital. This slate was identified as No. 3 and listed the following candidates: Rossella Tosini (statutory auditor), Pasquale De Falco (statutory auditor), Valeria Maria Scuteri (alternate auditor) and Aldo Anellucci (alternate auditor).

In accordance with applicable legislative and regulatory provisions, shareholders who submitted slates 1 and 2 declared the absence of any links with shareholders who hold a controlling or relative majority interest, in view of the recommendations of Consob communication no. DEM/9017893 of 26 February 2009.

Consistently with the provisions of the Company's By-laws, the two statutory auditors and two alternate auditors from slate no. 3, which obtained the highest number of votes (95.12% of the share capital present and entitled to vote), and the statutory auditor and alternate auditor from slate no. 2 (which obtained 3.16% of the share capital present and entitled to vote) were elected as members of the Board of Statutory Auditors.

The Statutory Auditors in office at 31 December 2021 and at the date of the Report meet the integrity and professionalism requirements provided for by Article 148(4) of the Italian Consolidated Law on Finance (TUF) and the Regulation adopted with Ministry of Justice Decree No. 162 of 30 March 2000. For the purposes of Article 1 (2)(b and c), of this Decree, matters pertaining to commercial and tax law, corporate law and corporate finance, and to areas of activity related to naval engineering, are considered highly relevant to the Company's scope of operations.

The members of the Board of Statutory Auditors also satisfy the independence criteria provided for by Article 148 (3) of the Italian Consolidated Law on Finance (TUF) and the criteria provided for by the Corporate Governance Code.

The Statutory Auditors attested their independence when appointed, by submitting appropriate declarations. The Board of Statutory Auditors, therefore, first verified that the statutory auditors met the necessary independence requirements, at the meeting of 10 June 2020, applying the relevant criterion 3.C.1 of the previous Corporate Governance Code. The outcome of the assessment was announced in a press release disclosed to the market. This assessment was then renewed annually. Lastly, the Board of Statutory Auditors verified that the above requirements were met on 27 January 2023, applying the "Criteria of significance for additional relationships and remuneration for the assessment of independence" approved by the Board of Directors on 1 June 2022, in accordance with Recommendation 7 of the Corporate Governance Code²³.

Accordingly, the Statutory Auditors act completely autonomously and independently from all shareholders. Therefore, an Auditor who - independently or on behalf of third parties - has an interest in a particular transaction/operation of the Company must promptly and comprehensively inform the other Auditors and the Chairman of the Board of Directors about the nature, terms, origins and extent of this interest.

The Statutory Auditors must also observe the rules that set limits on multiple offices held concurrently as director and auditor in Italian joint stock companies, under applicable regulatory provisions and under the Company's By-laws (see **Table 3** on the "Structure of the Board of Statutory Auditors" annexed to this Report). In relation to assessing the adoption of a diversity policy for the composition of the Board of Directors and Board of Statutory Auditors, please see Section 2.2.5 of the Report.

The Statutory Auditors' curricula vitae are attached to this Report, providing key personal and professional details (see **Annex 3**).

2.4.2 Appointment and Replacement of Auditors

The Board of Statutory Auditors is appointed by the Ordinary Shareholders' Meeting as described below. Statutory auditors remain in office for three years, and their term expires at the date of the Shareholders' Meeting called to approve the financial statements for their third year of office; they may be re-elected.

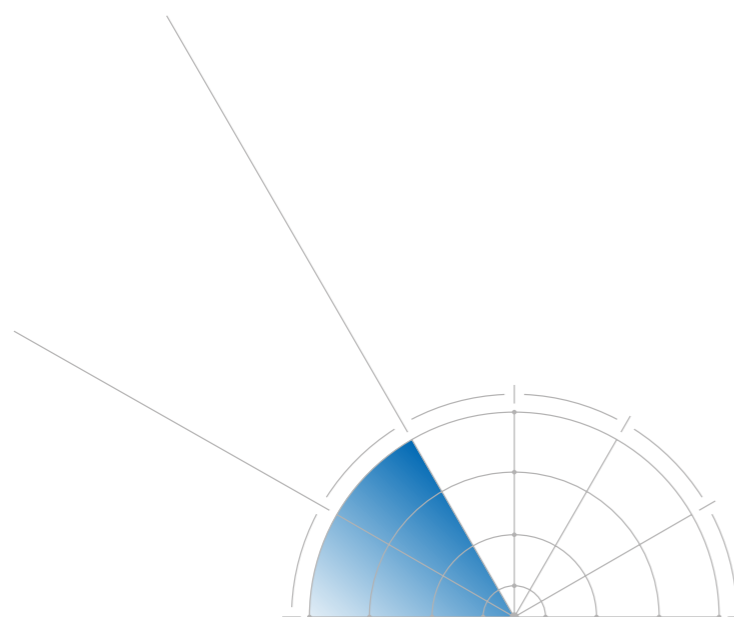
The appointment of statutory auditors is governed by Article 30 of the By-laws, in which a full description of the relevant provisions is given²⁴.

Slate voting

The Board of Statutory Auditors is appointed on the basis of slates submitted by the Shareholders and, in any case, in accordance with applicable rules on equal access to corporate bodies by the less represented gender.

²³For more information, please see Section 2.2.10 of this Report.

²⁴The By-laws are available on the Company's website at www.fincantieri.com in the "Governance and Ethics - Corporate Governance System" section.



Entitlement to submit, file and publish slates

Shareholders are entitled to submit slates only if they represent individually or with other Shareholders at least 1% of the share capital or such other percentage (if lower) that is established by Consob in a regulation related to Board of Directors nominations.

In its Executive Decision no. 76 of 30 January 2023, Consob determined (without prejudice to any lower shareholding provided for by the By-laws) the shareholding required in order to submit candidates slates for the election of management and audit bodies of listed companies that closed their financial year on 31 December 2022. Specifically, the following is the shareholding established for Fincantieri S.p.A.:

CAPITALISATION CLASS	CRITERIA TO DETERMINE THE SHAREHOLDING		SHAREHOLDING
	FLOATING CAPITAL >25%	MAJORITY STAKE <50%	
> 375 million euros and <= 1 billion euros	Not relevant	Not relevant	2.50%

However, the aforementioned minor quota of at least 1% of the share capital, which is provided for in the By-laws, shall apply in the current financial year.

The provisions of the By-laws on the appointment of the Board of Directors (see Section 2.2.4 of this Report) and other relevant regulatory provisions in force are applicable, in so far as relevant, to the submission, filing and publication of voting slates.

Composition of slates

Candidates must be listed in sequential order in the slates, in a number not exceeding the number of members to be elected.

Slates are divided into two sections: one for candidates for the office of standing statutory auditor and the other for candidates for the office of alternate auditor. The first candidate in each section must be enrolled in the register of certified accountants and must have at least three years account auditing experience.

Furthermore, slates that - taking into account both sections - present three or more candidates must include (in the first two positions of the section of the slate related to statutory auditors and also in the first two positions of the section of the slate related to alternate auditors) candidates of different genders, thus ensuring that the composition of the Board of Statutory Auditors complies with applicable gender balance provisions.

Appointment procedures

Statutory auditors are elected as follows:

- two standing statutory auditors and two alternate auditors are drawn from the slate that obtained the highest number of votes, in the sequential order in which they are listed in the sections of that slate;
- the remaining statutory auditor and the remaining alternate auditor are designated in accordance with the rules in force and based on the procedures of the By-laws applicable to the appointment of directors drawn from the minority slates (see section 2.2.4 of this Report), to be applied separately to each of the sections comprising the other slates.

The Chairman of the Board of Statutory Auditors' is appointed by the Shareholders' Meeting from statutory auditors elected by the minority.

The slate voting procedure described above applies only where the entire Board of Statutory Auditors is appointed.

Replacement

Should it prove necessary during the year to replace an auditor drawn from the slate that obtained the highest number of votes, the first alternate auditor drawn from that slate will be appointed in that auditor's place. If this replacement procedure does not enable a Board of Statutory Auditors to be reconstituted in line with applicable gender balance rules, then the second alternate auditor drawn from that slate will be appointed in place of the outgoing auditor.

Should it prove necessary to replace the other auditor drawn from the slate that obtained the highest number of votes, the first alternate auditor drawn from that slate will be appointed in place of the outgoing auditor.

Should it prove necessary to replace the Chairman, this office will be taken by the alternate auditor appointed by the same procedures as the Chairman.

2.4.3 Tasks of the Board of Statutory Auditors

In accordance with Article 149 of the Italian Consolidated Law on Finance (TUF), the Board of Statutory Auditors oversees: i) compliance with the law and the company By-laws; ii) observance of the principles of correct administration; iii) the adequacy of the Company's organizational structure for the aspects falling within its purview, the internal control and risk management system and the administrative-accounting system, as well as the reliability of the latter in correctly representing management events; iv) the procedures for the concrete implementation of the corporate governance rules set forth in the Corporate Governance Code, including those relating to resolutions on remuneration and other benefits; and v) the adequacy of the Company's instructions to its subsidiaries to ensure the proper fulfilment of the disclosure obligations provided for by law.



In addition to the above, Article 19(1) of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016, attributes additional functions to the Board of Statutory Auditors as the "Internal Control and Audit Committee". In this capacity, the Company's Board of Statutory Auditors is in charge of:

- a) informing the Board of Directors of the outcome of the statutory audit and transmitting to that body the additional report referred to in Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014²⁵, accompanied by any observations;
- b) monitoring the financial reporting process and submitting recommendations or proposals aimed at ensuring its integrity;
- c) monitoring the effectiveness of the company's internal quality control and risk management systems and, if applicable, of the internal audit, with regard to the Company's financial reporting, without violating its independence;
- d) monitoring the statutory audit of the annual financial statements and consolidated financial statements, also taking into account any findings and conclusions of the quality controls carried out by Consob;
- e) verifying and monitoring the independence of the statutory auditors and audit firm, specifically regarding the adequacy of the provision of services other than auditing; and
- f) being responsible for the procedure aimed at selecting the statutory auditors or audit firm and recommending statutory auditors or audit firms to designate.

In accordance with Article 13(1) of Legislative Decree No. 39 of 27 January 2010, the Board of Statutory Auditors is responsible for drawing up a draft proposal for the Shareholders' Meeting, duly substantiated, for the appointment of an external auditor and to determine suitable remuneration. The Board of Statutory Auditors must also provide its opinion to determine the remuneration of Directors holding particular offices, pursuant to Article 2389 (3) of the Italian Civil Code and to appoint the Officer in Charge in accordance with Article 154-*bis* (1) of the Italian Consolidated Law on Finance (TUF).

In line with the recommendations of the Corporate Governance Code, the Board of Statutory Auditors:

- monitors the effectiveness of the internal control and risk management system;
- is consulted by the Board of Directors: i) for purposes of approving the audit plan drawn up by the Head of Internal Auditing; ii) on the results outlined by the external auditor in the Management Letter, if any, and in the report on key issues arising from the statutory audit;
- is consulted by the Control and Risk Committee, for advice as to whether it has correctly applied accounting standards;
- receives, through the Chairman, periodic reports from the Head of Internal Auditing.

As part of its activities, the Board of Statutory Auditors may request the Internal Auditing Department to carry out audits on specific operational areas or corporate transactions. The Board of Statutory Auditors and the Control and Risk Committee exchange relevant information to enable them to perform their respective tasks in a timely manner. The Chairman of the Board of Statutory Auditors or another member designated by him participates in the work of the Control and Risk Committee.

In accordance with Article 19 of Legislative Decree No. 39/2010, the Company set up the Internal Control and Audit Committee, which is identified with the Board of Statutory Auditors and which, in public interest entities, oversees:

- the financial reporting process;
- the effectiveness of internal control, internal audit and risk management systems;
- the statutory audit of the annual and consolidated accounts;
- the independence of the audit firm, in particular with regard to the supply of non-auditing services to the company subject to legal audit.

²⁵This Regulation, which is also directly applicable in Italy, contains the regulation for "specific requirements relating to the statutory audit of public interest entities".

2.4.4 Meetings of the Board of Statutory Auditors

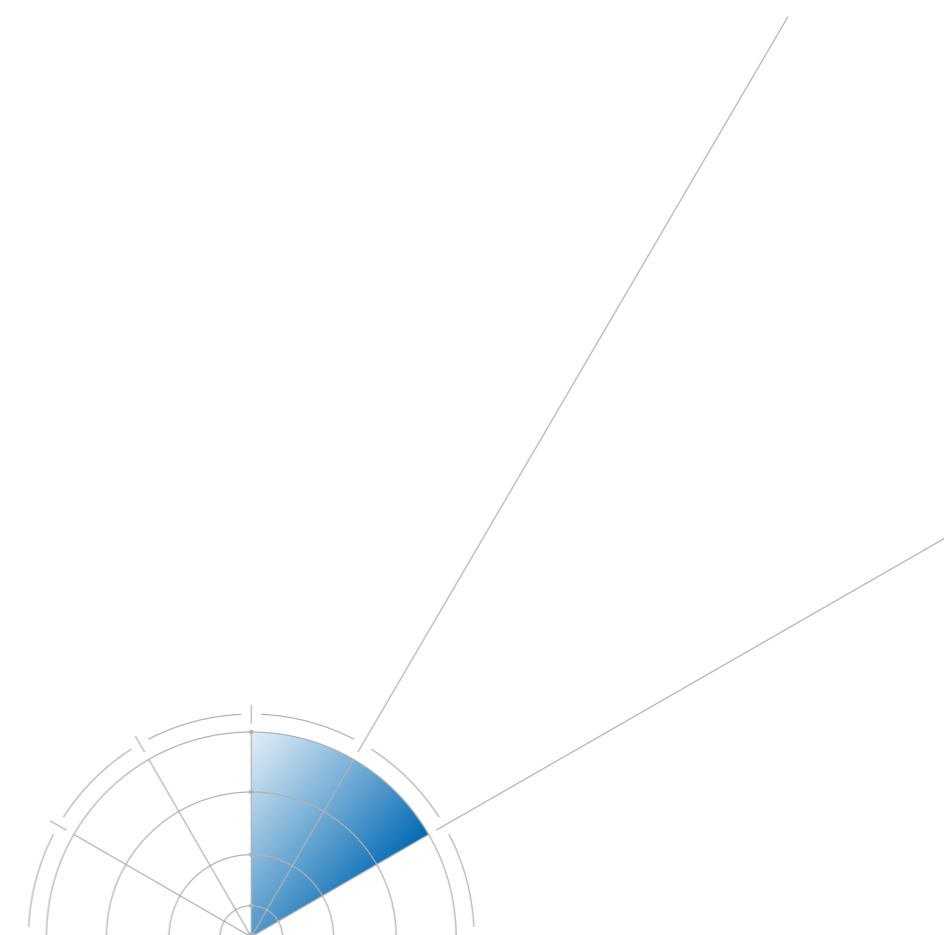
During the Financial Year, the Board of Statutory Auditors met 12 times, with an average meeting duration of about 96 minutes and 100% attendance of the Statutory Auditors.

As at the date of this Report, two meetings have already been held in the financial year 2023.

Table 3 annexed to this Report shows the percentage attendance of each Statutory Auditor at meetings of the Board of Statutory Auditors.

2.4.5 Remuneration

The remuneration of the members of the Board of Statutory Auditors is determined by the ordinary Shareholders' Meeting at the time of appointment. Information on the Statutory Auditors' remuneration is provided in the Report on the Policy regarding remuneration and fees paid, drawn up by the Company pursuant to Article 123-*ter* of the Italian Consolidated Law on Finance (TUF), and available on the Company's website at www.fincantieri.com, within the Section "Governance and Ethics - Remuneration" and the Section "Governance and Ethics - Shareholders' Meeting - Shareholders' Meeting 2023".



3. Internal control and Risk Management System

The Company's system of internal control and risk management system (ICRMS) consists of a set of tools, organizational structures and corporate procedures - codified in a specific 'Organizational Manual' periodically updated and circulated within the Company - aimed at contributing, through a process of identification, management and monitoring of the main risks within the Company, to the sound, correct and coherent management of the business with the predetermined objectives set by the Board of Directors and, in accordance with the Corporate Governance Code, to contribute to the sustainable success of the Company.

The Company's ICRMS is integrated with the Company's more general organizational and corporate governance structures, draws inspiration from reference models in the sector and is guided by the principles and recommendations of the Corporate Governance Code and by best practices applied domestically as well as internationally.

Fincantieri has adopted the "CoSO" (Internal Control Integrated Framework) and the "COBIT 5" (Control Objectives for Information and related Technology) frameworks as the main company-wide tools for assessing the internal control system, particularly with reference to financial reporting.

The ICRMS also facilitates identifying, measuring, managing and monitoring the main risks, as well as the reliability, accuracy, credibility and promptness of financial reporting.

In fact, Fincantieri is aware that an effective ICRMS helps in managing the enterprise consistently with corporate objectives defined by the Board of Directors, facilitating the adoption of resolutions based on comprehensive information. In particular, the ICRMS contributes to safeguarding corporate assets and optimising efficient and effective corporate processes, ensuring the provision of reliable information to the corporate bodies and the market, and ensuring compliance with applicable legislative and regulatory provisions, with the Company's By-laws and with applicable corporate procedures.

This system, drawn up based on leading international practices, includes the following three levels of control:

- 1st level: the operational departments identify and assess risks and implement specific actions to manage them;
- 2nd level: the departments responsible for risk management define risk management methods and tools, and conduct monitoring activities;
- 3rd level: the Internal Auditing Department independently evaluates the entire system.

3.1 Main features of the ICRMS

The guidelines for the Company's internal control and risk management system (the "Guidelines"), which are substantially in line with the Corporate Governance Code, were approved by the Board of Directors on 26 September 2016, after consulting with the Control and Risk Committee.

The Risk Officer function was identified in order to assist in developing and optimising the risk management system, a role held by the Head of Internal Auditing, whose tasks are as follows:

- to support the Chairman in defining the methods for identifying, assessing and monitoring the main business risks on an ongoing basis;
- to coordinate the risk management and management support activities, verifying compliance with the Company's Enterprise Risk Management ("ERM") methodology;
- to issue periodic reports to the various organizational levels.

As part of the ERM process in 2022, the Risk Management Model, which maps the people responsible for managing and monitoring risks, was updated in collaboration with the Chairman.

In the specific context of order risk management, the operating process of identifying, evaluating and managing risks is supported by a dedicated application solution that guarantees consistency with the ERM approach and methods and allows the relative information to be historicized over time in a structured manner, making it part of the company's information assets in both the short and medium/long-term thanks to a variety of reports.

The audit plans prepared by the Internal Auditing Department are based on the analysis and prioritisation of risks, as shown from the periodic company-wide assessments.

The Guidelines approved by the Board of Directors identify the main parties involved in the preparation and implementation of an effective internal control and risk management system, defining their tasks and responsibilities and providing for a system of information flows to maximise its efficiency, reduce duplication of activities and guarantee effective performance of the tasks of the supervisory body.

Fincantieri's internal control and risk management system involves the following roles, each within their respective spheres of competence: i) Board of Directors; ii) Internal Control and Risk Committee; iii) Chairman; iv) Risk Officer; v) Head of Internal Auditing and Internal Auditing Department; vi) manager responsible for preparing financial reports; vii) Supervisory Body; viii) Head of the compliance department for the prevention of corruption and ix) Board of Statutory Auditors. Furthermore, all of the Group's personnel, within the purview and responsibilities of each, are expected to actively participate in the maintenance, updating and proper operation of the ICRMS, as defined by the Group's internal rules and procedures.

Subject to the provisions already described in the preceding paragraphs 2.2.5 and 2.3.1 relating to the internal control and risk management responsibilities assigned to the Board of Directors and the Control and Risk Committee, respectively, and subject to the observations made below with specific reference to the other parties involved, the main features of the ICRMS adopted by the Company will be described below.

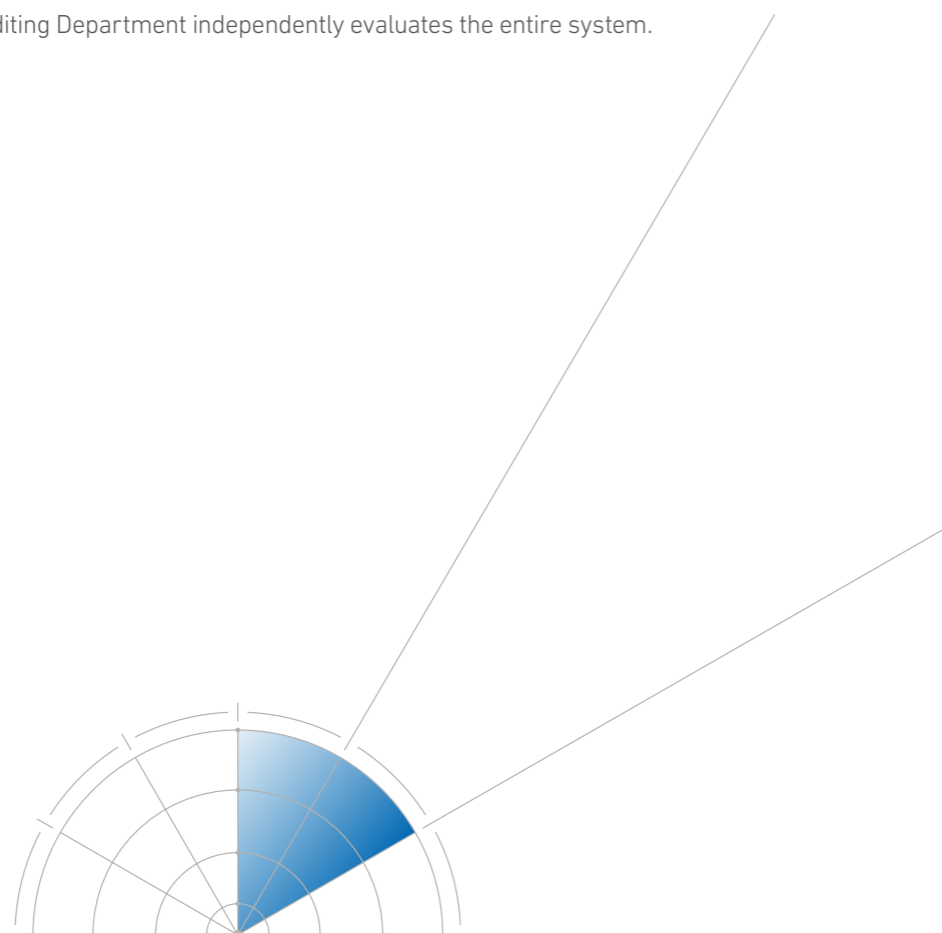
Identification of risks

The risks are identified based on the following criteria:

- a) nature of the risk, with particular reference to operating and financial risks, risks related to accounting rules (reporting risks) and to compliance risks that could significantly impact upon the Company's reputation;
- b) significant extent of the risk;
- c) significant likelihood that the risk will materialise;
- d) limited ability of the Company to reduce the impact of the risk on its operations.

Implementation of the ICRMS

The ICRMS consists of policies, procedures and behaviours that, collectively, allow the Group to:



- a) make its operations more efficient, enabling it to react appropriately to operating, financial, legal or other risks that might impede the achievement of its business objectives;
- b) ensure the quality of its internal and external reporting system. This requires the use of an effective recording system, as well as processes that generate a flow of relevant and reliable information inside and outside the organization;
- c) facilitate compliance with applicable legislative and regulatory provisions as well as internal procedures;
- d) safeguard the Company's assets from loss or from inappropriate or fraudulent use.

For this purpose, the Chairman ensures that the ICRMS:

- a) is an integral part of the Group's operations and culture, activating to this end appropriate information, communications and training processes as well as disciplinary and remuneration systems which incentivise the proper management of risks and discourage behaviour that is contrary to the principles dictated by those processes;
- b) can react promptly to significantly risky situations arising within the Group or arising from changes in the Group's operating environment;
- c) includes procedures for reporting immediately to the relevant level of the Group hierarchy, to this end implementing organizational solutions that ensure access by the Departments directly involved in the ICRMS to the necessary information and to top management;
- d) regularly verifies the effectiveness of the ICRMS and the possibility of activating specific controls if weaknesses in the ICRMS are reported;
- e) facilitates the identification and timely implementation of corrective actions.

Assessing the effectiveness of the ICRMS

The periodic verification of the adequacy and effective operation of the ICRMS - and its updating as appropriate - represents an essential activity for the ICRMS, in order to ensure that this system is functioning properly and completely.

The Board of Directors is responsible for carrying out this periodic verification, with the support of the Control and Risk Committee. In conducting these verification activities, the Board of Directors must take care not only to verify the existence and implementation of an ICRMS within the Company, but also to regularly examine the structure of that system in detail, as well as its suitability and its actual operation.

For this purpose, the Board of Directors receives an information briefing on the audit activities conducted (already examined by the Control and Risk Committee), from the Head of Internal Auditing to verify whether the Company's ICRMS structure is actually effective in pursuing its objectives and whether any shortcomings reported indicate a need to improve the system.

The Board of Directors also:

- examines the material business risks notified by the Chairman, and assesses the manner in which these risks have been identified, assessed and managed. Accordingly, special importance is devoted to examining changes occurring during the most recent financial year, to analysing the nature and extent of the risks and to assessing the Company's response to those changes;
- assesses the effectiveness of the ICRMS in dealing with such risks, focusing particular attention on any reported inefficiencies;
- considers what actions have been taken or should be promptly taken to remedy any shortcomings identified;
- prepares any additional policies, processes and rules of behaviour that would enable the Company to react appropriately to new risk situations or those that have not been properly managed so far. The periodic verification of the adequacy and effective operation of the ICRMS - and its updating as appropriate - represents an essential activity of the ICRMS, in order to ensure that this system is functioning properly and completely.

At its meeting on 16 February 2023, the Board of Directors i) having heard the Head of Internal Auditing on the auditing activities carried out in 2022 and those envisaged in the Audit Plan for 2023, as well as on the assessment of the suitability of the ICRMS, ii) having heard the assessment of the Chairman and the Board of Statutory Auditors on the work plan prepared by the Head of Internal Auditing for the financial year 2023, as well as iii) having examined the report of the Internal Control and Risk Committee and the supporting documentation provided in this regard, expressed a positive opinion on the adequacy and effectiveness of the organizational structure of the ICRMS with respect to the characteristics of the company and the risk profile assumed. For more information regarding the activities performed by the Board of Directors regarding the ICRMS, please see Section 2.2.5 of this Report.

Information flows

In order to enable the various parties involved in the ICRMS to adequately carry out their duties within that system, special information flows are defined between the various levels of control and the competent management and control bodies, suitably coordinated in terms of content and times.

In addition to the information flows described in the paragraphs below, special information flows are also established between the corporate departments assigned to second and third level controls. More specifically, the Managers of the second level control departments notify the Head of Internal Auditing of the critical concerns found while carrying out their activities, which could be of interest to the Internal Auditing Department in conducting the checks within its remit. In turn, the Head of Internal Auditing informs the Managers of the other control Departments about any inefficiencies, weaknesses or irregularities found during the audits conducted on specific areas or matters falling under the responsibility of such Departments.

Main characteristics of existing internal control and risk management systems in relation to the financial reporting process (Compliance System in accordance with Law 262/2005)

The Internal Auditing Department has developed the compliance system in accordance with Law no. 262/2005 (the "Compliance System"), to analyse the significant items of Fincantieri Group's consolidated financial statements and to follow the audit trail back to the corporate processes that support the formation and preparation of economic-financial information. This Compliance System defines, among other things: i) the specific components relating to administrative-accounting disclosure, providing for a system of administrative-accounting procedures that is supported and, occasionally, suitably supplemented by "risk and control matrices"; and ii) procedures and timetables for the administrative-accounting risk assessment process, aimed at identifying the most important processes for the purposes of accounting and financial disclosure.

The Compliance System for the 2022 financial year was shared with the Control and Risk Committee during its meeting on 30 June 2022.

Fincantieri adopted the following program of activities to support the certifications due under Law 262/2005:

- Scoping: identification of the area to be analysed i.e., selection of the Companies, accounts and processes that materially affect items on the financial statements, using both quantitative and qualitative parameters. Scoping activities also aim to identify the companies, processes and sub-processes that are relevant for the purposes of the Fincantieri Group's financial statements, by applying both quantitative and qualitative analyses. For the 2022 financial year, the quantitative analysis has been conducted beginning with the consolidated financial statements of Fincantieri for the year ended 31 December 2021. Qualitative analysis was used to validate the results of the quantitative analysis and to identify the Group companies most vulnerable to significant risks or impacts, irrespective of the implications for the consolidated financial statements.
- Assessment of "entity level" controls: assessment of controls implemented at the level of the entity identified during the scoping phase, to verify whether they have been properly defined and operate effectively. Entity level controls are those controls that management relies on to ensure appropriate behaviour in line with the company's approach and to maximise the effectiveness of the company's

governing bodies (the Board of Statutory Auditors and the Board of Directors) and Departments considered critical for the integrity of financial reporting (such as the Group Accounting and Administration Departments and the Project Management team). For the CoSO framework, these types of controls include those related to risk management, change management, integrity and ethical values, as well as controls related to the active involvement of the Board of Directors and its Board Committees, corporate philosophy and ordinary operations, and the effectiveness of corporate communications, policies and procedures.

- Assessment of "process level" controls: assessment of controls put in place at the process level to verify whether they are properly defined and operate effectively, in relation to the entities identified during the scoping phase. The management responsible for preparing the Company's financial reports must identify the processes and controls for business activities that are of critical importance for the financial statements and for the financial reporting process, and then document these processes and controls as a basis upon which to assess the control model and its operational effectiveness. To be effective, internal controls must be designed correctly. In addition, the internal controls necessary to provide reasonable assurance regarding the accuracy of the Company's accounting records must be established and performed by suitably qualified personnel who have the authority and responsibility to implement them (process owners). Based on its review of the documentation relating to the processes taken into consideration, the Internal Auditing Departments provides the Officer in Charge with its assessment of the effectiveness of design of the process controls.
- Assessment of IT level controls: assessment of IT controls implemented within the organization to verify whether they have been properly defined and operate effectively. Transaction flows generally involve the use of application systems to automate the processes and to support high transaction volumes. These application systems are based upon various different IT support systems, including corporate networks, databases, operating systems and other. Collectively, these define the IT systems involved in the financial reporting process and, accordingly, they should be considered in the design and evaluation of internal controls. For these reasons, IT controls have a pervasive effect on the achievement of many control objectives. The IT General Controls (ITGC) are controls used to manage and control IT activities as well as the IT environment. The automated control procedures and manual control procedures using information generated by IT systems (i.e. the Application Controls), depend on the effectiveness of the ITGCs. The relationship between the Application Controls and the ITGCs is based on the fact that the latter are necessary to support the operation of the Application Controls, and both are necessary to guarantee the complete, accurate and valid processing of information. Corporate organizations require IT support to ensure that the general control environment as well as the application controls exist and adequately support the compliance objectives of the corporate activity. Since 2015, Fincantieri has adopted COBIT 5 as a reference model for the assessment of internal controls in the IT area; this - the latest version of that framework - can provide a representation of IT governance that reflects the central role of information and technology in creating value for the enterprise. The Corporate Information Systems Department, supported by the Internal Auditing Department, is responsible for assessing the level and adequacy of internal controls in the IT environment. The assessment process developed by Fincantieri to assess ITGC compliance is based upon the following key activities:
 - selecting control objectives: assessing the significance and applicability of the control objectives proposed by the reference framework of relevance in supporting the certificates required pursuant to Law No. 262/2005;
 - identifying existing ITGCs, based on interviews with IT management and examination of existing documentation, and their association with the Governance & Management Practices of COBIT 5;
 - verifying the coverage level of the controls, in relation to the control objectives identified as applicable and relevant;
 - designing additional control schemes for the relevant test procedures where gaps have emerged in the context of the control objectives identified.
- Testing: activities conducted by the Internal Auditing Department to assess the effectiveness of the ICRMS by conducting audit activities preparatory to certification by management. Once the design of the controls has been shown to be effective, the controls must then undergo tests to prove their operational effectiveness.

This assessment is applied to each control individually and the main steps to achieve the assessment are as follows: i) definition of the test plan; ii) testing activities; iii) identification of control operating deficiencies; and iv) discussion and identification of corrective actions. The Internal Auditing Department carries out these activities at the Issuer and at the relevant entities downstream of the scoping process, makes the test results official by communicating them to the relevant companies/entities/process owners and monitors the implementation of the action plans agreed to mitigate the deficiencies identified. The process owners are responsible for implementing the action plans with a view to improving the internal control environment, on the basis of which management in charge of drafting the financial reports makes its certification.

- Self-certification by control owners: self-assessment process by which the control owners certify the effective operation of the controls within the processes/sub-processes of direct relevance.
- Internal certifications (Fincantieri): made available by process owners to accompany the self-certifications (preceding paragraph).
- External certifications (subsidiaries included in the scope of consolidation): the process by which the management certifies the formal assessment of the effectiveness of the internal control structure and the related procedures.

The activities of testing, the self-certification of control owners and the issue of the internal and external certifications represent the totality of the verification activities associated with the compliance program. The Control and Risk Committee and the Board of Directors are notified of the results of these activities when approving the half-yearly report and the annual financial statements.



3.2 Persons involved in the ICRMS and associated responsibilities

With reference to the tasks and activities conducted by the Board of Directors, by the Control and Risk Committee and by the Board of Statutory Auditors in relation to the ICRMS, please refer to the descriptions provided in Sections 2.2.5, 2.3.1 and 2.4.3 above.

3.2.1 Chairman

On 16 May 2022, the Board of Directors delegated powers to the Chairman, Claudio Graziano, in relation to the ICRMS. During the financial year, he performed and, as at the date of this Report, is performing the duties that the Corporate Governance Code recommends be assigned to the Chief Executive Officer (see Article 6, Recommendation 34 of the Code). In this regard, the Company, given the type and specific nature of Fincantieri's business and the high professional profile of the Chairman, and in continuity with the provisions of the previous Board, considered it appropriate to confer the powers relating to the establishment and maintenance of the ICRMS to the current Chairman.

With regard to the ICRMS the Chairman has a duty to:

- ensure the identification of the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submit them to the Board of Directors for examination;
- implement the guidelines defined by the Board of Directors, overseeing the design, implementation and management of the ICRMS, constantly verifying their adequacy and effectiveness;
- adapt the ICRMS to the dynamics of operating conditions and the legislative and regulatory landscape;
- request the Internal Auditing Department to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- promptly report to the Control and Risk Committee on problems and critical issues that have emerged when performing his activities or of which he has otherwise become aware, so that the Committee may take the appropriate initiatives.

During the 2022 Financial Year and the first months of 2023, the Chairman:

- implemented the Guidelines on the ICRMS, taking care of their management and constantly verifying their adequacy and effectiveness, also in the light of operating conditions and the legislative and regulatory context;
- oversaw, with the support of the Risk Officer, the identification, assessment and mitigation of the Company's main risks and invited the Risk Officer to present them to the Control and Risk Committee and the Board of Statutory Auditors in the meeting on 16 February 2023, and then submit them to the Board of Directors for consideration at its meeting on 16 February 2023;
- shared with the Risk Officer the adaptation of the Risk Management Model, which maps those responsible for managing and monitoring the identified risks;
- received and examined the periodic reports submitted by the Head of Internal Auditing;
- requested and obtained reports from the Internal Auditing Department on two occasions on specific topics relevant to the company's internal control system.

3.2.2 Head of Internal Auditing and Internal Auditing Department

As of 31 December 2022 and on the date of this Report, the Head of Internal Auditing is Stefano Dentilli, whose office was confirmed by the Board of Directors' meeting of 1 June 2022, upon proposal by the Chairman, having received a favourable opinion from the Control and Risk Committee and consulted with the Board of Statutory Auditors.

The Board, after obtaining the favourable opinion of the Control and Risk Committee, verified, most recently at its meeting of 16 February 2023, that the Head of Internal Auditing has adequate resources to fulfil the assigned duties. The Internal Auditing Department's role is to monitor the adequacy of the ICRMS of the Company and the subsidiaries, ensuring that its efficiency and effectiveness are improved on an ongoing basis by carrying out independent, autonomous and objective activities of verification, validation and consultancy activities. The Board of Directors has given the Head of Internal Auditing the following tasks and responsibilities:

- to verify - on an ongoing basis and also depending on specific requirements and respecting international standards - the operation and suitability of the ICRMS within the Group, with reference to company procedures, the management of risks and the measures implemented to safeguard against those risks, by means of an audit plan approved by the Board of Directors, based upon a process of analysis, prioritising the most important risks;
- to prepare periodic reports containing adequate information on his/her activities, on the manner in which the risk management activities are carried out, and on compliance with the plans drawn up to contain those risks. The periodic reports contain an assessment of the adequacy of the ICRMS;
- to draw up timely reports on particularly significant events;
- to transmit their periodic reports to the Director in charge of the ICRMS, the Chairman of the Control and Risk Committee, the Chairman of the Board of Statutory Auditors and the CEO;
- to verify, as part of the audit plan, the reliability of the information systems including accounting systems;
- to analyse circumstantiated reports of problems associated with the financial statements, the internal and/or external audit and with controls in general;
- to assist the Boards of Statutory Auditors of the Company and of the Group in the preliminary selection and assessment of the external audit firm's proposals pertaining to the statutory audit of accounts;
- to assist the Supervisory Bodies (pursuant to Legislative Decree No. 231/2001) of the Company and the Group in performing their tasks;
- to compare and exchange information with the Chairman, the Supervisory Body, the Board of Statutory Auditors, the Officer in Charge and the external audit firm.

Depending on the tasks assigned, the Head of Internal Auditing:

- has no responsibility over any operating area, and reports to the Board of Directors;
- holds no corporate offices of any kind (except as member of the Supervisory Body) in the Company and/or any of its operating subsidiaries;
- has ongoing, unconditional access to all company information, data, persons, databases and assets that may be useful for performing the tasks assigned to him/her;
- submits a report to the Board of Directors on his/her activities at least twice a year, liaising with the Chairman, with the Control and Risk Committee and with the Board of Statutory Auditors and, in carrying out his/her tasks, also interacts with the Supervisory Body and with the Officer in charge;
- independently manages the expenditure budget determined for his/her Department and for the Supervisory Body, both approved by the Board of Directors, subject to agreement with the Chairman;
- may assign an external consultancy firm - independent from the Company and the Group - to perform a number of activities related to his/her Department, if specific technical expertise is required which the Internal Auditing Department cannot provide.

During the 2022 financial year and in the first few months of 2023, the Head of Internal Auditing:

- verified - on an ongoing basis and also in relation to specific requirements and in accordance with international standards - the operational status and suitability of the ICRMS, by means of an audit plan approved by the Board of Directors that is based on a structured process of analysis and prioritisation of the most important risks;

- has had direct access to all information useful for performing the assignment;
- prepared periodic reports containing adequate information on the activities carried out, and sent them to the Director in Charge of the ICRMS, to the Chairman of the Control and Risk Committee and to the Chairman of the Board of Statutory Auditors and the CEO, and gave the Board of Directors its assessment of the suitability and adequacy of the ICRMS, in its annual report on the audit plan implemented;
- verified, in the context of the audit plan, the reliability of the information systems including accounting systems;
- performed a maintenance and testing of the General Computer Controls, developed according to the reference framework COBIT 5 – IT Control Objectives for Sarbanes-Oxley (with the support of an outside party);
- implemented the audit interventions envisaged by the audit plan, as well as those required by the Company's Top Management, or considered necessary during the year based on their skills and responsibilities;
- coordinated audit activities at group companies that qualified within the scope of the audit plan;
- provided operating support in optimising the framework of controls pursuant to Law No. 262/2005 and coordinated the verification of controls in the Parent Company and in the subsidiaries included in the scope of work;
- supported the Supervisory Body's work;
- conducted assessments on the implementation status of the SoD governance and provided support on developing adequate reporting.

The Head of Internal Auditing, performing the relevant duties, has adequate financial resources assigned in the Department budget, which are necessary to ensure that the activities can be carried out independently or with the use of external support.

3.2.3 Risk Officer

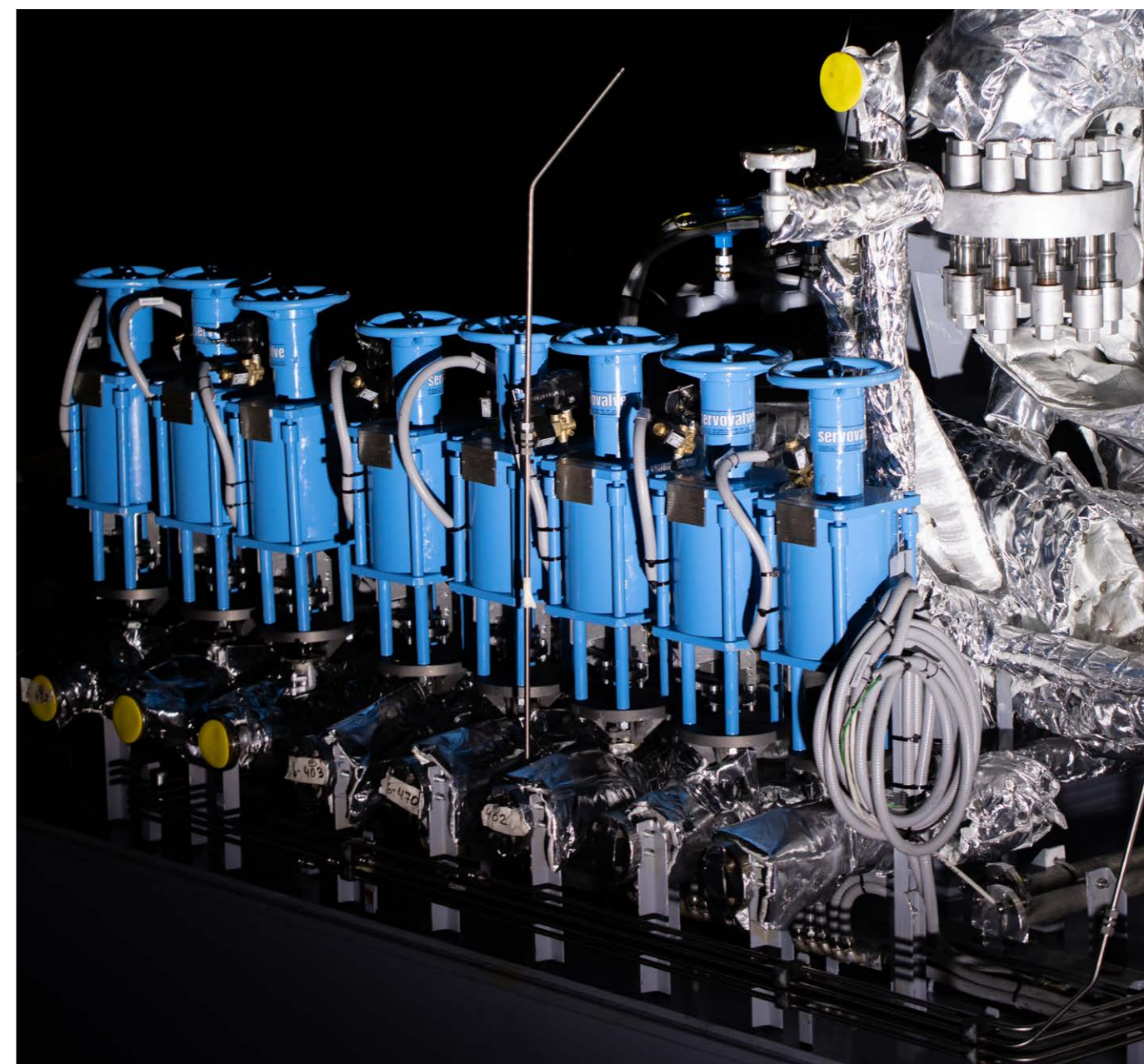
The position of Risk Officer was created by the CEO on 22 November 2016 and the role was assigned to the Head of Internal Auditing. This role is compatible with that of Head of the said Department, since the Risk Officer does not carry out operational risk management tasks but is involved exclusively in coordinating and in supporting management in the area of risk assessment tools and methodologies, and collecting and consolidating risk mitigation outcomes.

More specifically, the Risk Officer is responsible for:

- supporting the Chairman identifying the main company risks to which the Companies is exposed, taking into account the nature of the Company's operations and activities, and also those of its subsidiaries, and ensuring that such risks are submitted on a regular basis to the Board of Directors for its examination;
- supporting the Chairman in defining integrated analysis methodologies for the measurement of risks, to ensure that those risks can be viewed in a comprehensive manner, are uniformly evaluated, and also accurately measured and monitored on an ongoing basis;
- supporting the operational activities of the Chairman and of the Control and Risk Committee by means of periodic information briefings and suggestions, ensuring compliance with the ERM methodology used at all phases of the risk management process;
- liaising on an ongoing basis with Departmental Managers to monitor Risk Management activities;
- ensuring the correct application of risk management procedures;
- reporting periodically to the bodies responsible for the ICRMS on the risk management process.

During 2022, the Risk Officer:

- presented the risk assessment report as at 31 December 2021 to the Control and Risk Committee and the Board of Directors, upon request of the Chairman of the ICRMS on 17 February 2022;
- updated, in consultation with the Chairman, the Risk Management Model, which maps the persons responsible for managing and monitoring any identified risks;
- with the support of an external company, supervised and coordinated an evolutionary analysis project of the Group's Enterprise Risk Management and its integration with the operating risk management frameworks, aimed at the efficiency and integration of risk management and control processes;
- presented to the Control and Risk Committee on 11 October 2022, the interim update of the Company's risk assessment with particular focus on the impact of changes due to changes on the international scene;
- managed the periodic Enterprise Risk Assessment process and, based on the results, conducted in-depth activities on the most relevant risks with the involvement of management.



3.2.4 Manager responsible for preparing financial reports and other corporate departments

The role of manager responsible for preparing financial reports (the "Officer in Charge") was assigned to Felice Bonavolontà, Head of the Group Accounting and Administration Function, by the Board of Directors meeting held on 1 June 2022, following consultation with the Board of Statutory Auditors, until the expiry of the term of office of the Board of Directors in office at the date of the Report (i.e. until the date of approval of the financial statements for the year ended 31 December 2024).

In compliance with the provisions of Article 26 of the By-laws, the above-mentioned Officer in charge is an expert in the areas of administration, finance and control, and satisfies the integrity requirements imposed on Directors by applicable regulatory provisions.

The Officer in Charge prepares adequate administrative and accounting procedures for the preparation of the annual financial statements and consolidated financial statements, as well as any other financial communication.

The acts and communications of the Company disclosed to the market and relating to accounting information, also during the year, must be accompanied by a written declaration of the Officer in Charge, in which he/she certifies that they correspond to the documentary results, books and accounting records.

In particular, the Officer in Charge, together with the Chief Executive Officer, certifies in a special report on the annual financial statements, the consolidated financial statements and the condensed 6-monthly financial statements that:

- the administrative and accounting procedures applied during the period to which the documents refer, are adequate and have been effectively applied;
- the documents are drafted in compliance with applicable international accounting standards recognized in the EU pursuant to EC Regulation No. 1606/2002 of 19 July 2002 of the European Parliament and Council;
- the documents reflect the data contained in the accounting books and records;
- the documents truthfully and accurately represent the capital, profit and loss and financial position of the Company and of all of the companies included in the consolidation;
- for the annual financial statements and the consolidated financial statements, the management report includes a reliable analysis of the business performance and operating result, and of the situation of the Company and all of the companies included in the consolidation, as well as a description of the main risks and uncertainties facing same;
- for the abbreviated 6-monthly financial statements, the interim management report contains a reliable analysis of the information specified in Article 154-ter (4) of the Italian Consolidated Law on Finance (TUF).

To facilitate information flows, the Officer in Charge may attend meetings of the Board of Directors where issues arise pertaining to accounting matters.

The Officer in Charge prepares periodic reports on the planning of activities required, and on the outcomes of controls carried out, which are made available to the Board of Directors.

In accordance with Article 154-bis of the Italian Consolidated Law on Finance (TUF), the Board of Directors verifies that the Officer in Charge of Financial Reporting has adequate powers and means to perform the assigned tasks.

At its meeting of 16 February 2023, the Board of Directors, considering the investigation carried out by the Control and Risk Committee, expressed its positive assessment on the adequacy of the powers and means attributed to the Officer in Charge of Financial Reporting to perform the assigned tasks.

Other corporate risk management and legal and nonconformity risk management functions

The Ethical Compliance Office operates within the Internal Auditing Department from which it acquires the characteristics of impartiality and independence. The office oversees compliance activities both with regard

to the adaptation of corporate processes to the relevant regulations on ethical issues (Legislative Decree 231/01, Anticorruption, etc.) and with regard to the need to provide assurance through "compliance audit" activities. It supports the Supervisory Body in its audit activities relating to the existence of the regulatory requirements of Legislative Decree 231/2001, and the Compliance Department for the Prevention of Corruption in maintaining and improving the Anticorruption Management System in accordance with the applicable regulations and the requirements of the UNI ISO 37001 standard.

Within the Legal and Corporate Affairs Department, the head of which is the Company's General Counsel, there are two functions in charge of monitoring legal and non-conformity risk, which are impartial and independent in that they are neither hierarchically nor functionally dependent on the business functions involved: the Compliance and Corporate Secretary and the Trade Compliance, Privacy and Powers & Duties Function.

The Compliance and Corporate Secretary's Function is responsible for ensuring compliance with the rules set forth in the law, regulations, the By-laws, the Corporate Governance Code and internal regulations mainly concerning i) corporate bodies, ii) market compliance, iii) related party transactions.

The Trade Compliance, Privacy and Powers & Duties function is mainly responsible for: i) carrying out reputational, legal and corporate investigations underlying the stipulation of commercial assistance agreements, off-set obligations and the initiation of business relations with the Company's customers; ii) ensuring compliance with privacy regulations; iii) verifying compliance with the structure of powers conferred on the Chairman, the Chief Executive Officer and the proxies and managing the powers and proxies issued inside the Company and its subsidiaries.

In the meeting of 16 February 2023, the Board of Directors, in compliance with Recommendation 33 of the Code, taking into account the preliminary investigation of the Internal Control and Risk Committee, also expressed its positive assessment of the effectiveness and impartiality of judgement of the Risk Officer and the Ethical Compliance Office and of the corporate functions in charge of monitoring legal and nonconformity risk within the Legal and Corporate Affairs Department, also expressing its opinion on the professionalism and resources assigned to them.

3.2.5 Organizational Model in compliance with Legislative Decree No. 231/2001 and Supervisory Body

Fincantieri has adopted an organizational, management and control model according to the Legislative Decree No. 231/2001 ("Organizational, Management and Control Model"), the latest version of which was approved by the Board of Directors on 26 January 2022.

It consists of a general part, in which the principles, functions and essential components of the Organizational Model are illustrated, and of "Special Parts", in which the activities at risk of crime for each type of crime deemed relevant, the principles of conduct and the control procedures are identified.

In particular, the types of offences that the Organizational Model intends to prevent are: offences against the Public Administration; cybercrimes; organized and transnational crime offences; offences against industry and commerce; corporate offences; market abuse offences; offences relating to occupational health and safety; offences of receiving, laundering and use of money, goods or utilities of unlawful origin, as well as self-laundering; offences relating to copyright violation; offences involving inducing people not to make statements or to make false statements to the judicial authorities; environmental offences; offences relating to the employment of third-country nationals whose residency is irregular; offences against the individual; offences of racism and xenophobia offences; tax offences; and smuggling offences.

The Organizational Model is available on the Company's website at www.fincantieri.com in the "Governance and Ethics" section.

In accordance with the Organizational Model, the Company's Supervisory Body is constituted in the form of a collegial body with an adequate level of independence, professionalism and continuity of action. In particular, the SB is composed of:

- two members (one of whom acts as Chairman) selected outside the corporate structure from persons of proven experience, independence and professional expertise;
- one internal member from within the Company, i.e., the Head of the Corporate Department that is most involved in the activities provided by law (Internal Auditing Department). This is also to ensure coordination between the different parties involved in the ICRMS.

The SB is appointed by the Board of Directors and remains in office for three financial years.

The Supervisory Body operates on the basis of a "Regulation of the activities of the Supervisory Body", adopted independently by the Body and forwarded to the Board of Directors for information. The same Regulation sets out how the SB formulates an annual expenditure forecast, which is regularly approved in the annual budget.

The main activities to be performed by the SB are the following:

- monitoring the efficacy of the Organizational Model by verifying that actual behaviour is in line with the model established;
- reviewing the adequacy of the Organizational Model i.e. its actual (and not merely formal) capacity in general to prevent undesirable behaviour;
- analysing whether the Organizational Model continues, over time, to satisfy the requirements of reliability and effective operation;
- updating the Organizational Model dynamically, as required, in cases where the audits conducted points to the need for corrections or adjustments. This last activity is generally carried out in two distinct but integrated stages:
 - submitting proposals to adapt the model to the corporate bodies/Departments capable of effectively implementing them within the Company;
 - following up, i.e., ascertaining the implementation and actual operation of the solutions proposed;
- monitoring the effectiveness of the internal procedures and rules of corporate governance;
- examining any reports originating from the control bodies or from any employee, and organizing any investigations considered necessary.

Furthermore, the SB may support the corporate departments in charge of promoting initiatives aimed at raising awareness of the Organizational Model and reporting the need for disciplinary measures in the event of a breach of the same and of the Code of Conduct.

To perform its tasks, the SB has free access to all of the corporate departments and may request that such departments provide - on a periodic basis and/or upon request - information, data and news that are considered useful for the performance of its duties.

Audits are conducted with support from the Internal Auditing Department and also, for specific topics, other corporate departments and external consultants.

The Supervisory Body receives reports on alleged breaches of the Code of Conduct and of the Organizational Model from members of the corporate bodies, from Departmental Managers and from employees, external collaborators, suppliers and customers, also anonymously. The Supervisory Body decides whether to carry out continuous monitoring of the messages using the dedicated computer platform and decides whether to carry out more in-depth investigations or to dismiss and archive the report, providing adequate reasons for its decision.

At the end of each year, the SB drafts a report on the activities carried out and sends it to the Board of Directors and the Board of Statutory Auditors.

For more detailed information on the Supervisory Body's requirements, tasks and responsibilities, please refer to the contents of the Organizational Model available in the 'Governance and Ethics' section of the Company's website at www.fincantieri.com.

The SB, currently in office for the three-year period 2021-2023 and duly appointed by the Board of Directors on 25 February 2021, consists of:

- Attilio Befera (external member and Chairman);
- Fioranna Negri (External member);
- Stefano Dentilli (Head of Internal Auditing).

During 2022 and early 2023, the Supervisory Body:

- continued to promote the Company's maintenance and updating of the Organizational Model, with reference to the risk profiles associated with the new predicate offences included in Legislative Decree 231/2001; in particular, the Organizational Model was amended for the introduction of tax offences approved by the Board of Directors on 26 July 2022;
- was informed, as part of the Anticorruption measures, of the activities of continuous updating and maintenance of the management system for the prevention of corruption adopted by the Company and ISO 37001 certified;
- requested and obtained information on the training programs provided by the Company on the rules set out in Legislative Decree no. 231/2001 and on Anticorruption;
- heard, at almost every meeting in 2022, from the head of the Group HSE Department, as well as the Legal and Corporate Affairs Department, to obtain an update, for the areas of under their responsibility, on accident trends, on the evolution of Safety and Environment audit activities, on any inspection visits at production units and on the actual or potential legal repercussions of 231 proceedings in progress. The head of the Group HSE Department also gave an overview of the monitoring activities carried out on foreign subsidiaries in the field of occupational safety and the environment;
- discussed the respective control activities of mutual interest concerning the financial year with the Board of Statutory Auditors;
- met with the Chairman of the Board of Directors and some heads of agencies and directorates, including the head of Group Cyber Security;
- promoted a series of meetings with the Chairpersons of the Supervisory Bodies of Group companies to discuss issues of common interest;
- focused on the issue of occupational safety and the environment, both by monitoring the causes of accidents through special reports and by acting in situ, in support of the competent department during Safety and Environmental audits at shipyards;
- periodically assessed the periodic "reports of notifications" prepared by the company Departments and, based upon their results, conducted (where deemed necessary) special in-depth analyses and/or issued cautions reiterating the need for compliance with the company procedures;
- monitored the Company's management of potential conflicts of interest, which were identified on the basis of the structured process of requesting employees and third parties to disclose any situation that could fall into this category;
- examined all of the notifications received through dedicated channels; after they were carefully evaluated, the ones deserving attention were further investigated through specifically requested actions conducted by the Internal Auditing department. During the course of the Financial Year, there were no reports of significant problems arising from violations of the Organizational Model that could compromise its effectiveness.

3.2.6 Management System for the Prevention of Corruption and Head of Anticorruption Department

As part of the process of continuous evolution and improvement of the Company's Anticorruption system, the UNI ISO 37001 certification was obtained in 2020 related to the Management Systems for the Prevention of Corruption, an objective included in the Company's Sustainability Plan. At an organizational level, in order to supervise the construction and operation of the Company's Anticorruption system, in accordance with the UNI ISO 37001 standard, the Board of Directors identified and appointed the Compliance Department for the

Prevention of Corruption (for brevity, the "Anticorruption Department") which reports directly to the Board; consequently, during the meeting of 28 January 2020, it appointed Stefano Dentilli as head of the Department. The Head of the Anticorruption Department is responsible for:

- monitoring Anticorruption legislation and case law, as well as the evolution of national and international best practices;
- supervising the design and implementation of the Anticorruption Management System in accordance with applicable regulations and the requirements of the UNI ISO 37001 standard;
- coordinating the Anticorruption risk assessment process ("risk management") and the identification of Anticorruption controls to prevent said risks from occurring;
- carrying out checks on the implementation of the Anticorruption Management System;
- promoting and supporting the relevant corporate departments in the definition and implementation of training programmes on Anticorruption and the operation of the related Management System;
- providing consultancy support, specialist assistance and guidance to employees of the Company and other Group companies on the subject of the Anticorruption Management System and on issues related to corruption;
- providing specialist assistance in activities relating to the verification of the reliability of counterparties, the management of any critical issues that arise and the development of related control measures in areas exposed to the risk of corruption;
- ensuring periodic information, by preparing reports, on the performance of the Anticorruption Management System to the Board of Directors, the CEO and the other corporate bodies to which specific information flows are necessary;
- informing, whenever deemed appropriate, the Board of Directors and the CEO, if any issue or suspicion needs to be raised in relation to acts of corruption or the Anticorruption Management System;
- supporting the process of analysing and assessing reports of violations and/or offences (e.g., in accordance with Legislative Decree no. 231/2001) or in any event to behaviour that is not in line with the rules of conduct adopted by the Company with regard to the prevention of corruption.

During 2022 and early 2023, the Head of the Anticorruption Department:

- promoted the adoption or amendment of procedures related to the ISO 37001 Anticorruption management system;
- monitored the Anticorruption training programme shared with the Human Resources and Industrial Relations Department, which includes a general course for Company's employees, a specific course for attorneys and a broader provision of information to workers;
- provided support to the certifying body in the verification process of the ISO 37001 management system, aimed at maintaining certification;
- carried out the risk assessment activity required by the ISO 37001 standard;
- monitored the Anticorruption management system, bringing the results to the attention of Senior Management and the Governing Body;
- presented to the Board of Directors the management system for the prevention of corruption adopted by the company;
- carried out checks on the implementation of procedures related to the Anticorruption Management System.

Fincantieri defines, documents, implements, maintains and periodically reviews its Anticorruption Management System, including processes common to other systems, in accordance with the requirements of the UNI ISO 37001:2016 standard, from an integrated perspective, with the tools at an organizational, managerial and documentary level that are required by legal regulations in pursuit of the same purposes as the UNI ISO 37001:2016 system.

In this context, there are synergies with the Company's system adopted in accordance with the rules laid down in Legislative Decree 231/2001. The Company has adopted the Organizational Model described in greater detail in Section 3.2.5 of this Report above, which governs the administrative liability of entities for certain specific offences, including corruption. Although this Organizational Model has specific content with reference to active corruption, committed by directors, employees or collaborators, in Italy or abroad, in the interest of or to the advantage of the Company, its scope partially overlaps with that of the UNI ISO 37001:2016 system with which it shares the main elements: analysis, planning and implementation of control measures, checks, periodic monitoring, etc. More specifically, the Company provides for the carrying out of an activity of identification, analysis and assessment of risks in the field of corruption for the purposes of Legislative Decree 231/2001 and this allows coordination with the ISO 37001:2016 risk assessment with specific additions aimed at the management of passive corruption.

The risk assessment activity is carried out by the Anticorruption Department on a periodic or annual basis in view of the evolution of the internal and external context. The findings of the risk assessment process are used to design or improve the Anticorruption Management System, enabling the planning of new actions, improvement opportunities or the supplementing of existing Anticorruption actions.

This activity is carried out:

- to identify, based on corporate processes, the types of risk scenarios including activities potentially susceptible to corruption. To this end, interviews are periodically conducted with the Heads of company Departments and internal organization charts are analysed, as well as the internal procedures relating to these activities;
- to identify and assess any control measures that may be necessary to mitigate the risk of corruption.

Ultimately, the Anticorruption Management System guarantees:

- the implementation of the Anticorruption Policy in corporate strategies;
- the identification of the Company's processes that are sensitive to the risk of corruption;
- the assignment of appropriate responsibilities and performance of appropriate process controls;
- the implementation of Anticorruption communication flows;
- the identification, analysis and assessment of corruption risks in a manner consistent with Fincantieri's activities and context;
- taking "reasonable and appropriate" measures to prevent, detect and deal with corruption;
- carrying out a review of the Anticorruption Management System as a result of potential or actual changes in the context, in any case periodically with a view to continuous improvement;
- the fulfilment of the requirements of the Anticorruption Manual adopted by the Company and of the mandatory legislation on the prevention of corruption applicable to the Company's context.

Since 2009, the instruments that the Company has adopted to prevent the risk of corruption include a system for the "Reporting of infringements to the Supervisory Body" ("whistleblowing"), defined in the Organizational Model, which enables employees and third parties to report problems relating to non-compliance with the provisions of the Code of Conduct, the Organizational Model, company procedures or with legal regulations. The main features of the Company's whistleblowing system include:

- two information channels, one of which is computer-based, open to employees and third parties;
- guarantee of confidentiality on the information and identity of the reporter, without prejudice to legal obligations;
- commitment not to take retaliatory action (disciplinary sanctions, demotion, suspension, dismissal) or discriminatory action against Company personnel who have reported in good faith;
- application of the system of fines against individuals who breach the commitments, obligations and protections guaranteed by the company.

The computerised whistleblowing system adopted by the Company uses an independent platform that allows reports to be sent with or without registration on the system and ensures the confidentiality of the sources and information reported.

This system complies with recent legislative provisions on the matter (Law No. 179 of 30 November 2017).

For further information on the "whistleblowing" system and on all Anticorruption rules and regulations in force, see the Section "Governance and Ethics" section of the Company's website at www.fincantieri.com.

3.2.7 Board of Statutory Auditors

For a description of the specific activities of the Board of Statutory Auditors in this regard, see section 2.4. of this Report.

3.2.8 Audit firm

The external audit of accounts is entrusted according to the law to an external audit firm appointed by the Ordinary Shareholders' Meeting, upon a proposal (duly justified) from the Board of Statutory Auditors.

The Shareholders' Meeting of the Company held on 15 November 2019 appointed, upon proposal of the Board of Statutory Auditors, the independent auditors Deloitte & Touche S.p.A. for the financial years 2020-2028 for the statutory audit of Fincantieri (the "Audit Firm")

On 5 May 2022, the Board of Directors assessed, after consulting the Board of Statutory Auditors and with the support of the Control and Risk Committee, the results presented by the Audit firm in their additional report addressed to the Board of Statutory Auditors for the financial year ending 31 December 2021.

With reference to the additional report addressed to the Board of Statutory Auditors for the 2022 financial year, the Board of Directors will carry out its own assessment, upon consulting with the Board of Statutory Auditors and with the support of the Control and Risk Committee, during 2023.

The company appointed to perform the statutory audit of Fincantieri's accounts holds similar appointments at its main subsidiaries.

In order to verify and ensure the independence of the Audit firm, the Issuer has adopted a procedure that identifies, among other things, situations of incompatibility in accordance with the applicable regulations.

4. Regulation of related party transactions and other Corporate Governance documents

4.1 Regulation on Related Party Transactions

In compliance with the provisions of Article 2391-*bis* of the Italian Civil Code and the Consob Related Parties Regulation, also taking into consideration the guidelines provided in the Consob Communication of 24 September 2010, on 5 May 2014, the Board of Directors adopted the "Related Party Transactions Regulation" (the "RPT Regulation"), which identifies the principles to which Fincantieri adheres in order to ensure the transparency and substantive and procedural fairness of related party transactions carried out by the Company, directly or through its subsidiaries.

On 3 December 2015, the Company also adopted the Procedure "Management of Related Party Transactions" (the "Procedure") to describe and define the process, terms and operating methods inherent to the proper management of related party transactions, defining the responsibilities of the various corporate organizational units involved in such transactions carried out by Fincantieri directly or through its subsidiaries in accordance with the RPT Regulation.

On 10 June 2021, the Company's Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the new text of the RPT Regulation in order to incorporate the amendments made by Consob with resolution no. 21624 of 10 December 2020 to the Consob Related Party Regulation. The Company has also made the necessary adjustments to the Procedure.

The RPT Regulation - available in full on the Company's website at www.fincantieri.com in the Section

"Governance and Ethics - Related Party Transaction" - distinguishes between:

- i) "More Significant Transactions" i.e., related party transactions described in section 5.1 of the RPT Regulation; and
- ii) "Less Significant Transactions" i.e., related party transactions that do not fall within the definition referred to in point i) above.

The regulations in the RPT Regulation are applied in terms of the above described operations, with the exception of cases in which these fall within one of cases for override outlined in the Consob Related Parties Regulation or in the cases for exemption in the RPT Regulation, that regard: i) transactions of negligible value; ii) remuneration plans based on financial instruments approved by the Shareholders' Meeting; iii) resolutions regarding the remuneration of the Directors holding specific offices (as well as of other Managers with Strategic Responsibilities) that are in line with the Company's current Remuneration Policy approved by the Shareholders' Meeting and under the condition that the assigned remuneration is identified in conformity with this Policy and quantified based on criteria that do not require discretionary assessments; iv) ordinary transactions concluded under equivalent market or standard conditions; v) transactions with or between subsidiaries and with associated companies; and vi) urgent transactions.

Less Significant Transactions

According to the RPT Regulation, Less Significant Transactions are approved by delegated bodies ("Delegated Bodies") that are granted authority in relation to a specific Less Significant Transaction, based on powers granted to them under the Board resolution appointing them as delegated bodies of the Company. Where no Delegated Bodies exist, competence for the approval of Less Significant Transactions rests with the Company's Board of Directors.

If the Less Significant Transaction falls within the remit of the Board of Directors or is approved by the Board for any other reason, the Directors involved in the transaction (i.e., the Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, which conflicts with that of the Company) shall abstain from voting on the transaction in question.

Less Significant Transactions are approved subject to the non-binding opinion of a Related Party Transactions Committee set up within the Board of Directors composed of non-executive and unrelated Directors, the majority of whom are independent.

Bodies that approve Less Significant Transactions fully brief the Board of Directors and the Board of Statutory Auditors about the implementation of those transactions, on a quarterly basis at least

The minutes of resolutions approving Less Significant Transactions must contain adequate reasons justifying the Company's interest in completing the transaction, as well as the suitability and substantive fairness of the relevant conditions.

If the RPT Committee has issued a negative opinion on one or more Less Significant Transactions, the Company (within than fifteen days from the end of each financial quarter) shall make available to the public a document containing the indication of the counterparty, the subject and the consideration for all Less Significant Transactions approved in the relevant quarter despite the aforementioned negative opinion, as well as the reasons for which it was decided not to accept that opinion. Within the same term, the RPT Committee's opinion shall be made available to the public as an annex to the information document and on the Company's website.

More Significant Transactions

According to the RPT Regulation, responsibility for approving the More Significant Transactions lies exclusively with the Board of Directors, which decides following an in-depth examination of the transactions and their specific terms and conditions. Such examination must be supported by sufficient documentation to explain the reasons for the transactions, their appropriateness, as well as the substantial fairness of the conditions under which they are concluded.

Directors involved in the transaction (i.e., Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company) shall abstain from voting on the transaction. The Board of Directors shall resolve upon More Significant Transactions subject to the favourable opinion (duly justified) of the RPT Committee, composed exclusively of unrelated, independent directors.

The company representative or person who commenced the negotiations or, as appropriate, the Board of Directors (through its Chairman or any of its members) will inform the RPT Committee promptly of the start of the negotiations and the status of the same. The RPT Committee or one or more members delegated by the same ("Member(s) Delegated for Negotiations"), participate in the negotiations and the preliminary phase relating to the More Significant Transactions, receiving a flow of complete and up-to-date information and with the right to request information and to make observations to the Delegated Bodies and to the individuals assigned to lead the negotiations or the preliminary phase.

The Delegated Body of the Company with responsibility for implementing More Significant Transactions will provide to the Board of Directors, Board of Statutory Auditors and the RPT Committee complete information, at least on a quarterly basis, in relation to the implementation of those transactions.

The minutes of the resolutions approving More Significant Transactions must contain adequate reasons justifying the Company's interest in completing the transaction, as well as the appropriateness and substantial fairness of the related conditions.

The Board of Directors may approve the More Significant Transactions despite the contrary opinion of the RPT Committee, provided that the completion of those transactions is authorised by the Shareholders' Meeting in accordance with Article 2364 (1)(5) of the Italian Civil Code. In accordance with Article 11(3) of the Consob Related Parties Regulation ("whitewash mechanism"), the shareholders' meeting resolution authorising the transaction is deemed to be approved provided that: i) the quorums required by the By-laws to constitute the shareholders' meeting and to pass resolutions are met; and ii) if the unrelated shareholders present at the shareholders' meeting represent at least ten per cent of the share capital with voting rights, the majority of the unrelated shareholders voting at the meeting do not vote against the transaction (on this point see also Section 2.1.1. above)²⁶.

For further information on: i) the definition of "related party" and "related party transaction"; ii) the exemptions from the application of the RPT Regulation; iii) the RPT Committee and equivalent oversight; iv) the procedures in case of competence or authorisation by the Shareholders' Meeting; v) the procedures for transactions carried out by the Company through its subsidiaries; vi) the disclosure requirements related to the execution of More and Less Significant Transactions; and vii) the adoption of "framework resolutions", see the RPT Regulations, available at the above address.

For information on the main activities carried out by the RPT Committee during the Financial Year, see Section 2.3.1 of this Report.

4.2 Inside Information

On 11 June 2014, the Company's Board of Directors approved the "Procedure for the management and market disclosure of corporate information". The Company also adopted a procedure for keeping and updating the "Insiders Register" and an "Internal Dealing Procedure".

On 21 June 2016, the Board of Directors was provided with extensive information regarding the innovations introduced by the new EU regulations introduced by Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (Market Abuse Regulation or MAR) and its implementing regulations, which the Company has substantially complied with in a timely manner, even in the absence of a formal amendment of the said procedures.

On 31 July 2017, the Company took steps to update the above procedures, in line with the abovementioned European ranking legislation, with the Italian Consolidated Law on Finance (TUF) and the Consob Issuer Regulations, where applicable.

The internal Company procedures "Procedure for the management and market disclosure of corporate information", "Insiders' Register" and "Internal Dealing Procedure" also take account of the guidelines issued on

²⁶The same quorum also applies to transactions falling within the competence of the Shareholders' Meeting in urgent cases associated with company crises.

the subject by the European Securities and Market Authority (ESMA) and by Consob and the recommendations of the Corporate Governance Code.

Without prejudice to the foregoing, it should be noted that the "Procedure for the management and disclosure to the market of corporate information" defines the methods and terms of internal management and external communication by Fincantieri of corporate information relating to the Company itself and its subsidiaries, taking into account, in particular: i) the obligation to disclose inside information to the market; ii) the obligation to re-establish parity of information in the event of the early disclosure of inside information to third parties not subject to legal, regulatory, statutory or contractual confidentiality obligations; and iii) the need to ensure the prudent, efficient and confidential management of all corporate information, including information other than inside information.

From a general standpoint, the internal management of inside or relevant information (i.e., information that may subsequently become inside information) is under the Chief Executive Officer's responsibility. To ensure the confidentiality of such information, all members of the corporate bodies, as well as Managers and employees are, in any case, bound by a general confidentiality obligation, and they are forbidden from disclosing outside the company information and documentation that is obtained during the performance of their duties. In particular, all the aforementioned persons are required to: i) maintain the utmost confidentiality for information acquired performing their work and, in particular, on classified and inside information; ii) diligently preserve and file classified documentation acquired performing their duties, to ensure that it is only accessible by authorised persons; iii) adopt all necessary precautions so that the internal circulation of information occurs without jeopardising its privileged or confidential nature and in compliance, inter alia, with the regulations on the protection of personal data; and iv) ensure that all communication of information occurs in accordance with the procedure and, in any case, in conformity with the principles of fairness, transparency, truthfulness and protection of its integrity.

The public disclosure of inside information directly involving the Company and its subsidiaries shall occur promptly and in accordance with the following principles: clarity, symmetry of information, consistency and promptness. For further information on the procedure in question, please refer to the document available in its entirety on the Company's website at www.fincantieri.com in the Section "Governance and Ethics - Market Abuse/Internal Dealing".

4.3 Code of Conduct

All of the Company and Group activities are conducted in compliance with the law, with International Conventions (e.g., the OECD Anti-Bribery Convention of 1997) and in strict accordance with the human rights enshrined in the UN Universal Declaration.

Fincantieri operates according to the principle of fair competition, with honesty, integrity, fairness and good faith, respecting the legitimate interests of shareholders, employees, customers, trade and financial partners and of the general public and local communities in which the Company conducts its activities.

More specifically, Fincantieri promotes and fosters Corporate Social Responsibility, whereby the Company integrates its social and environmental concerns into its strategic vision, disclosing its initiatives in this context in the Sustainability Report.

All those who work for Fincantieri, without exception or distinction, are committed to observing and ensuring the compliance with such principles in the context of their own tasks and responsibilities.

For the purposes of the above, the Company has adopted a Code of Conduct. Compliance with this Code of Conduct by all company employees is of fundamental importance for the smooth operation, reliability and reputation of the Group, factors that represent a key asset for the Company's ongoing success.

More particularly, Fincantieri's employees, in addition to fulfilling their general duties of loyalty, fairness and good faith in implementing their employment contracts, must refrain from activities that are in competition with the Group's activities, comply with the Company's rules and regulations and adhere to the principles of the Code of Conduct. Relations between employees, at any level, should be characterized by the principles of transparency, fairness, loyalty and mutual respect.

Directors and all persons working in the Company shall familiarise themselves with the Code of Conduct, contribute actively to its implementation and report any shortcomings and instances of non-compliance.

The Board of Directors and the company management is responsible for verifying the implementation and application of the Code of Conduct, and these corporate bodies/officers may also make proposals to supplement or amend its provisions.

For a description of the provisions of the Code of Conduct, please refer to the Code itself, the full version of which is available on the Company website at www.fincantieri.com in the "Governance and Ethics" section.

5. Relations with Shareholders and Stakeholders

5.1 Access to information

The Company has had an ongoing dialogue with its shareholders, institutional investors and other stakeholders since its shares were listed on the Euronext Milan market (formerly MTA), and the aim of this dialogue is to ensure that those concerned receive complete and timely information on its activities.

To this end, the Company has set up a special corporate structure that facilitates the management of relations with Shareholders and the market (Investor Relations Department).

To promote ongoing dialogue with Shareholders and stakeholders, the Company has set up a special Section on "Investor Relations" and a Section on "Governance and Ethics" on its website, which it keeps updated, and where all relevant information is available, within which information of greater interest for the market may be found. Specifically, the Investor Relations Section provides the main economic-financial data and documentation pertaining to the Company (e.g. financial statements, half-yearly and quarterly reports, financial calendar, submissions to the financial community, share performance data, financial press releases).

This Department also makes available to current or potential institutional investors and individual Shareholders two specific e-mail addresses that are monitored on a daily basis (investor.relations@fincantieri.it and azionisti.individuali@fincantieri.it).

Events, significant transactions and economic-financial results are circulated through press releases, meetings and conference calls with institutional investors and financial analysts, and are promptly made available also by publication on the website.

The Governance and Ethics Section, however, provides documents and information on the Company's governance structure, including the Company's By-laws, information on the composition of corporate bodies, the remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities, as well as information on the internal control and risk management system. Within this Section there is a special area dedicated to Shareholders' Meetings. In this area all documents relating to the next Shareholders' Meeting are published and additional information to facilitate Shareholder participation in the Meeting is published.

5.2 Dialogue with Shareholders and Other Relevant Stakeholders

Fincantieri believes that the adoption and implementation of open and transparent forms of dialogue with the generality of its shareholders and investors, current or potential, is functional to the pursuit of the Company's objectives and strategies, to the benefit of the Company, its shareholders and the market, with a view to fostering sustainable development.

With this in mind, for years the Company has been implementing activities aimed at fostering dialogue between top management and the shareholders and stakeholders in general through communication channels managed by the competent corporate functions, such as, for example: i) conference calls with analysts and investors, following the publication of financial data; ii) market monitoring and updating activities, through direct contact with its brokers; iii) interaction with current and potential investors; iv) participation in institutional events (conferences and roadshows organized by Borsa Italiana and by national and international brokers); and v) dedicated mailboxes for institutional investors and individual shareholders. All this without forgetting the primary opportunity for meeting and discussion, represented by the Shareholders' Meeting.

In order to regulate the forms of dialogue and exchange with the shareholders and stakeholders relevant to the Company, upon proposal by the Chairman formulated in agreement with the Chief Executive Officer, the Board of Directors on 16 December 2021, in accordance with Principle IV and Recommendation 3 of the Code, adopted the "Policy for the management of dialogue with Fincantieri's shareholders and other relevant stakeholders" (the "Policy"), available on the Company's website, www.fincantieri.com, in the "Investor Relations" Section.

The Policy governs relations and fosters an ongoing, continuous and transparent dialogue between the Company and shareholders; holders of other financial instruments that may be issued by the Company; institutional investors; asset managers; rating agencies; sustainability rating agencies; proxy advisors; and financial analysts (collectively, the 'Stakeholders').

In managing dialogue with Interested Parties, the Company operates in accordance with the principles of transparency and fairness, punctuality and timeliness, equal treatment and fairness, consistency with corporate interests and compliance.

The scope of application of the Policy is limited to matters falling within the remit of the Board of Directors, also through its Committees, which directly or indirectly relate to the position of the Interested Parties and specifically concern: i) company objectives and policies; ii) issues pertaining to corporate governance and specifically: (a) corporate governance system; (b) composition of the Board of Directors; (c) Board Committees; (d) succession plan for the Chief Executive Officer and executive directors and procedures for the succession of top management; (e) definition of the remuneration policy for executive directors and Managers with strategic responsibilities and its correct application; (f) internal control and risk management system; and iii) social and environmental sustainability.

During the financial year and as of the date of this Report, three discussions took place with Stakeholders relevant to the Policy. The dialogues covered: i) the Company's health and safety standards; ii) respect for human rights in the workplace; iii) social and environmental sustainability; iv) specific aspects of the internal control and risk management system; v) economic-financial activities; vi) policies and initiatives to reduce accidents; vii) future targets to reduce greenhouse gas emissions from the Company's activities; viii) safeguards to mitigate the risk of corruption; ix) management of audits at the operating sites; and x) sustainability ratings.

On all occasions, dialogue took place in accordance with the Policy.

The Company did not consider it necessary to disclose any information to the market regarding the requests for dialogue and the information provided by the Company, given that the information covered by the requests and the related replies does not violate the principle of equal treatment and fairness of information among Interested Parties, since it is information and data of minor relevance, which is in any case in the public domain.

At the first subsequent meeting, the Board of Directors was informed about the development and significant content of the dialogues that had taken place.

6. Changes since the end of the financial year

As at the closing date of the financial year, no changes have occurred in the corporate governance structure with respect to that illustrated in the specific sections of the Report.

7. Considerations on the Letter of 27 January 2023 from the Chairman of the Corporate Governance Committee

The Board and the Board of Statutory Auditors have acknowledged the analyses and recommendations contained in the letter dated 27 January 2023 from the Chairman of the Corporate Governance Committee and, during the Board meeting of 16 February 2023 and the Board meeting of 27 February 2023, respectively, noted the Company's substantial adequacy in terms of the requirements laid out therein.

Set out below are the recommendations of the CG Committee and some of the Company's considerations with regard to the implementation of each Recommendation within Fincantieri.

Dialogue with shareholders:

Recommendation: The CG Committee invites companies to:

- adopt a policy of dialogue with shareholders that also allows this to be initiated by investors, defining graduated methods and procedures based on the principle of proportionality, according to the company's characteristics in terms of size and ownership structure; and
- to consider providing information, in its Corporate Governance Report, on the most relevant issues discussed with shareholders and on any initiatives taken to take account of the ideas that have emerged.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

On 16 December 2021, the Board of Directors adopted the Policy for managing dialogue with the shareholders and other relevant stakeholders (the "Policy"), which describes the management methods and contents of the dialogue outside of the Shareholders' Meeting between the Company and its shareholders and other relevant stakeholders, on issues within the Board's remit. It is made available to the public on the Company's website, in the "Investor Relations" section.

The Policy governs the Company's relations with "Interested Parties", which also include institutional investors. The Policy also provides that dialogue may be initiated by both the Company and the Interested Parties.

Dialogue with relevant stakeholders:

Recommendation: the CG Committee invites companies to provide adequate information in their corporate governance report on the criteria and methods with which the Board of Directors has promoted dialogue with other relevant stakeholders.

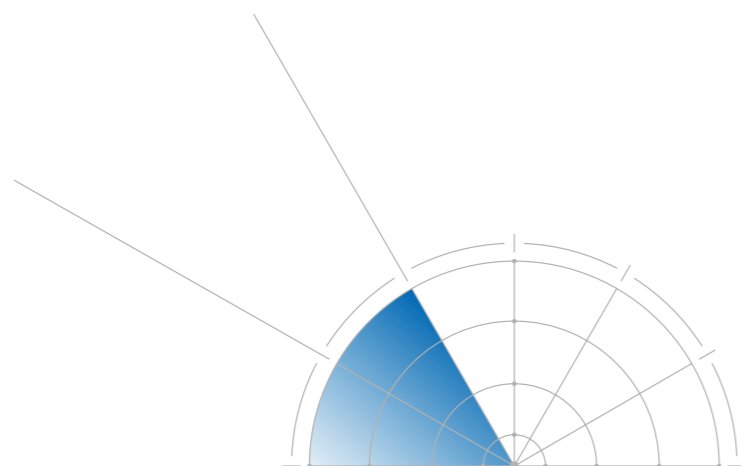
Status of Implementation in Fincantieri: the Company complies with the Recommendation.

In the definitions, the Policy lists the Stakeholders to whom the Policy is addressed and with whom the Company therefore promotes dialogue. In particular, they include not only i) shareholders, ii) holders of other financial instruments that may be issued by the Company, iii) institutional investors, but also iv) asset managers; v) rating agencies; vi) sustainability rating agencies; vii) proxy advisors and viii) financial analysts.

Allocation of management powers to the chairman:

Recommendation: the CG Committee invites companies in which the chairman is granted significant management powers to provide adequate reasons for this in their corporate governance report, even if the chairman is not the CEO.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.



On 16 May 2022, the Board of Directors granted the Chairman certain powers to be exercised in agreement with the CEO to ensure the consistency and effectiveness of the Company's actions. The powers of attorney are set out in Section 2.2.7 of this Report.

The Chairman is therefore not primarily responsible for the management of the company, nor has he been granted significant management powers.

Pre-board disclosure:

Recommendation: the CG Committee calls on boards of directors to:

- provide procedures for the handling of pre-filing disclosures that do not include generic exemptions to timely disclosure for reasons of confidentiality of data and information; and
- provide, in the Corporate Governance Report, detailed information on any failure to comply with the notice period specified in the procedures for sending out Board documentation, explaining the reasons for this and illustrating how adequate in-depth consideration was ensured at the board meeting.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

In the By-laws and the Regulations of Procedure of the Board of Directors, most recently approved on 1 June 2022, clear deadlines are set for the submission of Board documentation, without providing for the possibility of departing from them on the grounds of confidentiality. The Committee Regulations, last approved on 1 June 2022, also include the same principles. During the financial year, these terms were substantially respected.

Attendance of managers at Board meetings:

Recommendation: the CG Committee calls on the companies to:

- define, in the regulations adopted for the operation of the board of directors and its committees, the manner in which these bodies may access the relevant corporate functions according to the subject matter, under the coordination of the Chairman of the Board of Directors or the committee, respectively, in agreement with or informing the CEO, and
- provide, in the corporate governance report, information on the actual participation of managers in board and committee meetings, indicating the functions involved and the frequency of involvement.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

The Board Regulation provides that the Chairman, in agreement with the Chief Executive Officer or at the request of other Directors, may invite senior managers of the Company or the Group to attend Board meetings, as well as any other persons, even external to the Company and the Group, whose presence is deemed useful, also to provide the appropriate in-depth analysis, in relation to the discussion of one or more agenda items.

The Committees Regulations also allow that the Chairman of each Committee may invite to individual meetings, informing the Chief Executive Officer, the representatives of the relevant corporate departments, as well as the Secretary of the Board, if not acting as Secretary.

Guidance on optimal composition:

Recommendation: as already noted in the recommendations sent out in 2021, the CG Committee reiterates the importance of the board of directors, at least in companies other than those with concentrated ownership, expressing a guideline on the optimal composition of the board in the run-up to its renewal, and calls on companies to publish this guidance well in advance, so that those submitting lists of candidates can take it into account when drawing up the slate.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

Without prejudice to the fact that the Recommendation is addressed to companies with diffuse ownership and not to companies with concentrated ownership, such as Fincantieri, and that it is therefore not applicable to the

Company, during the Board meeting of 27 January 2023, the Nomination Committee nevertheless proposed to assess, during the last year of the Board's term of office and in view of its renewal, the need to issue guidance on the quantitative and qualitative composition of the Board of Directors considered optimal, also in light of the outcome of the self-assessment of the Board and Committees for the year 2022 and the one that will be held in the last year of the term of office.

Criteria for assessing the significance of relationships that may influence the director's independence

Recommendation: as already noted in the recommendations sent out in 2021, the CG Committee reiterates the importance of defining ex-ante and disclosing in the corporate governance report the quantitative parameters and qualitative criteria for assessing the significance of any business, financial or professional relationships and any additional remuneration for a director's independence. The CG Committee also invites companies to assess the appropriateness of using quantitative parameters, also defined in monetary terms or as a percentage of the remuneration awarded for office and membership of committees recommended by the Code.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

The Board of Directors approved, most recently on 1 June 2022, the "Criteria of Significance of Additional Relationships and Remuneration for the Assessment of Independence" (the "Criteria"), which it considered when verifying compliance with the independence requirements for the Directors who declared their possession carried out after their appointment, on 1 June 2022, and, for the purposes of the annual audits, at the Board meeting of 27 January 2023.

Transparency of remuneration policies on the variable component weighting

Recommendation: The CG Committee invites companies to include an executive summary in the remuneration policy for CEOs and the other executive directors, in tabular form, showing the composition of the remuneration package, with an indication of the characteristics and weighting of the fixed, short-term variable and long-term variable components with respect to total remuneration, at least with reference to achieving the target objective of the variable components.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

The Remuneration Policy and Fees Paid Report approved by the Board of Directors on 23 March 2022 and submitted to the Shareholders' Meeting of 16 May 2022 (the "2022 Remuneration Report"), in the section describing the remuneration structure, provides a graphical representation of the pay-mix for the Chairman, the Chief Executive Officer and the Managing Director in office at the time and, in addition, of the Managers with Strategic Responsibilities and the other Key Managers, distinguishing between i) fixed, ii) short-term variable and iii) medium/long term variable remuneration components for each of the aforementioned persons or categories.

Long-term horizons for remuneration policies

Recommendation: The CG Committee invites companies to provide in their remuneration policies for a variable component with a multi-year horizon, consistent with the company's strategic objectives and the pursuit of sustainable success.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

The remuneration architectures of top management and Managers identified as key resources provide, in addition to the short-term variable component on an annual basis (MBO), a medium to long-term variable component. The latter is characterised by a vesting period lasting three years, linked to a performance period also lasting three years, to which, for the Chief Executive Officer and Managing Director or for Managers with Strategic Responsibilities, a lock-up period of two years is added, the percentage of which varies according to the Plan. The medium/long-term variable component of remuneration pursues, among others, i) the objective of improving the alignment of the interests of beneficiaries with those of shareholders, by linking the remuneration of management to specific multi-year performance objectives, the achievement of which is closely linked to the improvement of the Company's performance and the growth of its value in the medium-long term, as well as ii) the objective of combining the Company's economic and financial performance with sustainability targets.

ESG parameters for directors' remuneration

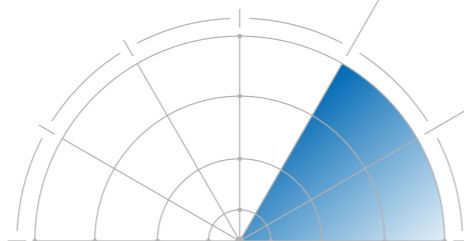
Recommendation: the CG Committee invites companies with incentive mechanisms for the CEO and other executive directors linked to sustainability objectives to provide a clear indication of the specific performance targets to be achieved.

Status of Implementation in Fincantieri: the Company complies with the Recommendation.

The Company's remuneration policy links part of variable remuneration, both short-term and medium/long term, to sustainability objectives.

Since 2019, the Chief Executive Officer has been set sustainability targets under the short-term incentive (MBO) schemes, and the same approach will be repeated in the 2023 MBO Plan. Also, for the 2023 financial year, sustainability objectives will be assigned to Managers with Strategic Responsibilities and a significant percentage of managers.

With regard to the medium/long term component of remuneration, the Company introduced a specific sustainability objective as part of the 2019-2021 LTI Plan. In addition, a Sustainability Index was also re-proposed in the 2022-2024 LTI Plan, the operating mechanisms of which were updated in light of the market benchmark carried out with the support of the consultancy firm Mercer.



Annex 1

Curriculum vitae of the Board of Directors members



CLAUDIO
GRAZIANO

Year of birth: 1953

Place of birth: Turin

Role: Chairman of the Board of Directors since May 2022

Born in Turin in 1953, he attended the Military Academy of Modena, from 1972 to 1974, and the Scuola di Applicazione di Torino, from 1974 to 1976, where he graduated in Military Strategic Sciences. He also holds degrees in Diplomatic and International Sciences from the University of Trieste, a Master's degree in Strategic Sciences and a university specialisation in Human Sciences from the Accademia Agostiniana in Rome. Appointed Infantry Officer, Italian Alpine Troops, in 1974, in 1976 he was commander of a rifle platoon at the "Susa" Alpine battalion in Pinerolo and in 1977 he was Deputy Commander of the "Taurinense" Alpine Brigade's anti-tank company. In 1980, he then commanded the mortar company and the Alpine company (riflemen) at the "Trento" alpine battalion of the "Tridentina" alpine brigade, and from 1983 to 1986 the Officer Cadet Company and the Command Company at the Alpine Military School in Aosta.

After the General Staff course, he was assigned to the Army General Staff in 1987, where he served as a Staff Officer in the Procurement Programme Office.

Promoted to Major in 1988, he then attended the Advanced Staff Course from 1989 to 1990.

In 1990, he was promoted to Lieutenant Colonel and transferred to the Office of the Chief of Staff of the Army, in the post of Chief of the Chief of Staff Secretariat.

In 1992, he was reassigned to the Alpine Battalion "Susa" as Commander, which, during his command, was deployed in Mozambique, as part of the UN peacekeeping mission, with the main task of ensuring the security of the Beira corridor, facilitating and supporting humanitarian and medical relief to the local populations.

At the end of 1993, he was appointed Head of the Coordination and Studies Section in the Office of the Chief of Army Staff.

Promoted to colonel, he attended the US Army War College in 1996 and then commanded the 2nd Alpine regiment of the "Taurinense" Brigade in Cuneo.

Subsequently, he served as Chief of the Planning Office of the Army General Staff.

In September 2001, he took the post of Military Attaché at the Italian Embassy in Washington D.C., USA.

Promoted to Brigadier General in January 2002, in August 2004, he took command of the "Taurinense" Alpine Brigade, and from July 2005 to February 2006, he took command of the "Multinational Brigade Kabul" in Afghanistan and, with it, responsibility for the Operations Area of the Kabul province, directing, among other things, numerous humanitarian initiatives within the sphere of reconstruction activities and first aid to the population.

Promoted to General of Division in January 2006, in March of the same year, he took the post of Head of the Operations Department of the Defence Inter-Forces High Command.

In January 2007, the UN Secretary-General appointed him Force Commander of the UNIFIL mission in Lebanon, where he fulfilled the role of UN Force Commander, as well as Mission Chief, and became responsible for the entire UN civilian component in Lebanon, including the coordination of humanitarian aid and reconstruction and relief activities undertaken.

In January 2010, he was promoted to the rank of Army General, and in February of the same year, he was appointed Chief of Staff to the Minister of Defence. In October 2011, he was appointed Chief of Staff of the Army and subsequently promoted to the rank of General.

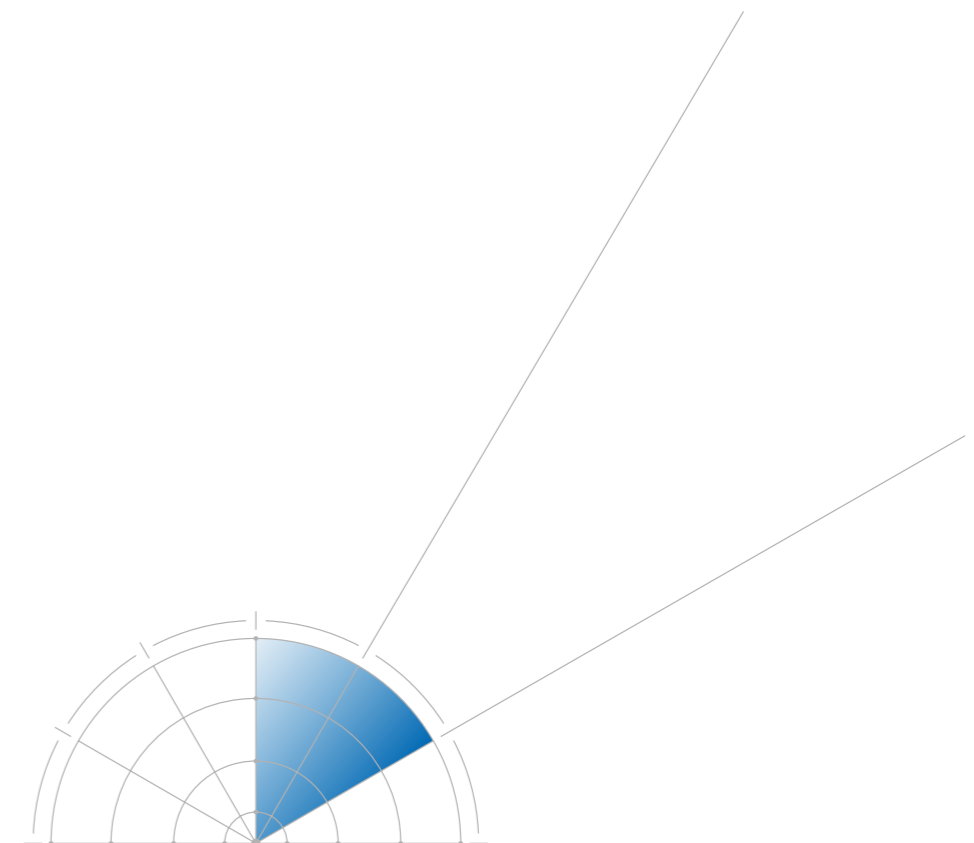
From February 2015 to November 2018, he was Chief of Defence Staff.

Appointed in November 2017, he served as Chairman of the European Union Military Committee from 6 November 2018 to 15 May 2022.

Since 16 May 2022, he has been Chairman of the Board of Directors of Fincantieri S.p.A. and since 28 September 2022, he has been Chairman of ASSONAVE (Italian National Association of the Shipbuilding Industry).

A recipient of numerous decorations, he was awarded 5 Solemn and 9 Simple Encomium. He was also awarded the honorary citizenship of the Province of Tyre (Lebanon), the municipalities of Villanova d'Asti and Fontanile (AT) and the city of Biella.

He is the author of numerous books, studies and articles.





**PIERROBERTO
FOLGIERO**

Year of birth: 1972
Place of birth: Rome
Role: Chief Executive Officer since May 2022

Born in Rome in 1972, he graduated in Business and Economics from L.U.I.S.S. University in Rome. He is a Chartered Accountant and has been a registered EU auditor since 1995. In 2003, he attended the Executive Education Programme in General Management at INSEAD at Fontainebleau, Paris. He is a member of the Advisory Board of the L.U.I.S.S. University in Rome and Adjunct Professor in Management of Circular Economy in the Law, Digital, Innovation and Sustainability department. He started his career at Agip Petroli (Administration, Finance and Control area) and at Ernst & Young as an Experienced Assistant, then as Corporate Finance Manager at PricewaterhouseCoopers. Since 2000, he has held various positions in the Administration, Finance and Control area of Wind Telecomunicazioni S.p.A., and in 2006 he became Corporate Development Director. In 2008, he continued his career at Tirrenia di Navigazione S.p.A. as Chief Financial Officer and as Managing Director, contributing to the restructuring and privatisation of the company. In September 2010 he joined Maire Tecnimont Group as Chief Financial Officer of KT S.p.A., a company in the Maire Tecnimont Group operating as licensor and contractor in the Oil&Gas refining sector, taking over as CEO of the same company in June 2011. In May 2012, he was appointed Managing Director of Tecnimont S.p.A., which within the Maire Tecnimont Group operates as a large-scale EPC Contractor in the hydrocarbon processing sector, with a dominant position in the petrochemicals sector. In May 2012, he was appointed Managing Director of the parent company, Maire Tecnimont S.p.A., and was then appointed as a member of the Board of Directors in October. Since May 2013, he has been Chief Executive Officer and Managing Director of the Maire Tecnimont Group and its main subsidiaries Tecnimont S.p.A. and KT S.p.A. In April 2019, he was appointed Managing Director of NextChem S.p.A., a subsidiary company operating in the field of green chemistry and technologies supporting the energy transition, as well as Chairman of the Supervisory Body of Stamicarbon, a centre of excellence in licensing and IP of Maire Tecnimont, a world leader in the licensing of technologies for the production of urea-based fertilisers. Always attentive to human capital and the creation of a strong management team, he led the Maire Tecnimont Group for nine years, enhancing the specific skills of each entity towards growth and constant evolution objectives, including in the direction of energy transition. A firm believer in an open innovation approach and osmosis between sectors, he is involved in start-up analyses and selection programmes, with a strong focus on the development of innovative ideas, new business models and the promotion of young talent.



**PAOLO
AMATO**

Year of birth: 1964
Place of birth: Rome
Role: Director since May 2022

Born in Rome in 1964, he graduated in Mechanical Engineering from the Sapienza University of Rome. He went on to obtain a Certificate in Capital Markets from New York University and Master in Business Administration from Harvard Business School. Situational leader with more than 30 years of international management practice in various industrial, transportation, infrastructure and technology sectors and in many geographic areas including the Americas, Wider Europe, the Middle East and Asia, he has been increasingly collaborating with international private equity investors on various transactions for many years, intervening in both the origination and advisory phases as well as in the operative management and co-investment in portfolio companies. He acquired considerable managerial and advisory experience in, among others, corporate crisis management, M&A transactions and integrations, finance, strategic planning, portfolio management, business development, international joint venture management, venture capital/private equity and strategic consulting. He started his career in 1989 at Leonardo S.p.A. in New York as Assistant Director. From 1994 to 2000, he was an Associate Partner of McKinsey & Company in the Buenos Aires, Rome and Zurich offices. From 2000 to 2003, he was Co-Founder and Co-Managing Director of eNutrix S.p.A. From 2003 to 2008, he served as Chief Financial Officer of Ariston Group and Managing Director of Merloni Finanziaria S.p.A. From 2009 to 2014, he worked at Alitalia Compagnia Aerea Italiana S.p.A., where he was Chief Financial & Strategy Officer from 2009 to 2013 and Deputy Managing Director from 2013 to 2014. From 2015 to 2016, he served as Chief Financial Officer & Portfolio Manager at Renova Management AG in Zurich. At Astaldi S.p.A., he served as Chief Restructuring Officer from 2019 to 2020 and as Chief Transformation Officer in 2021, executing the arrangement until its integration into the webuild Group. He was Chairman and Director of AirOne S.p.A. from 2009 to 2015; Directors of Advanced Capital S.G.R. from 2012 to 2013; Director (independent) and member of the Control & Risks Committee of Indesit S.p.A. from 2013 to 2014, as well as Director, Chairman of the Remuneration Committee and member of the Nomination & Governance Committee of CIFC Asset Management Corp. in New York from 2015 to 2016 and member of the Supervisory Body of Airports of Regions and Kortros in Moscow in 2015. From 2015 to 2017, he was a Director, as well as Chairman of the Audit & Finance Committee and a member of the Remuneration and Nomination Committee of Octo Telematics Ltd. where he also served as Senior Advisor from 2017 to 2018. From 2019 to 2021, he was Chairman of Be Power S.p.A., until its sale to Eni, where he also served as Chairman of the Audit & Finance Committee and member of the Remuneration and Appointments Committee. Since 2018, he has been a (independent) Director of Prysmian S.p.A., where he also serves as Chairman of the Remuneration and Appointments Committee. Since 2021, he has been a member of the Board of Directors and Chairman of the Audit, Risk & Sustainability Committee of Telepass S.p.A.



**ALESSANDRA
BATTAGLIA**

Year of birth: 1975
Place of birth: Rome
Role: Director since May 2022

Born in Rome in 1975, she graduated in Law from the Sapienza University of Rome and later obtained a diploma in European Public Law from the Academy of European Public Law at the Kapodistrian University of Athens. PhD in Public Economic Law from the Sapienza University of Rome.

From 2001 to 2003, she was an official in the Regulatory and Competition Area of ASSONIME - Association of Italian Joint Stock Companies.

From 2003 to 2012, she worked with the de Vergottini law firm.

From September 2012 to December 2016, she was Vice President Compliance, Litigation & New Project - Legal Counsel Italy of Lottomatica S.p.A. (IGT PLC).

From December 2016 to November 2021, she served as Chief Legal Officer of Fintecna S.p.A.

From January 2017 to July 2017, she served as a Board Member of Ligestra S.r.l., as well as Managing Director of Ligestra Tre S.r.l. and Ligestra Quattro S.r.l., and from January 2017 to December 2019, she served as a Board Member of Ligestra Due S.r.l., all companies wholly owned by Fintecna S.p.A.

From January 2017 to June 2018, she was sole director of XXI Aprile S.r.l. and from June 2018 to February 2021, she was liquidator of XXI Aprile S.r.l. in liq., a wholly owned subsidiary of Fintecna S.p.A.

Since March 2022, she has been a member of the Board of Directors of CDP Immobiliare Società di Gestione del Risparmio S.p.A.

She is Head of Legal Advisory and Regulatory Affairs at Cassa Depositi e Prestiti S.p.A.

She has held numerous consultancy positions and participated in various working and research groups at ministries and public bodies.

From 1998 to 2011, she was involved in numerous university teaching activities.

She is also the author of several research articles and publications.



**ALBERTO
DELL'ACQUA**

Year of birth: 1976
Place of birth: Milan
Role: Director since May 2022

Born in Milan in 1976, he graduated in Business Administration at the L. Bocconi University in Milan. He subsequently obtained a PhD in Corporate Finance from the University of Trieste and spent a period as a visiting research fellow at the School of Finance and Economics at the University of Technology, Sydney. Since 2000, he is an Associate Professor of Corporate Finance Practice and Director of the Corporate Welfare Lab at SDA Bocconi School of Management, where he previously directed the Master's degree in Corporate Finance and the Executive Master's in Corporate Finance & Banking. Since 2010, he has been teaching Financial management & Corporate Banking for the Master of Science in Management of Bocconi University in Milan.

He performs pro-bono consultancy work for governmental bodies and institutions, with previous appointments as advisor or expert member for parliamentary commissions and governmental committees, and civil servant work for local authorities and non-profit foundations.

He has held, and still holds, several positions in various companies, including those listed on regulated stock markets and multilateral trading systems.

In particular, since 2007, he has been the founder and Managing Director of Madison Corporate Finance S.r.l., a financial advisory company specialised in M&A transactions and corporate operational and financial reorganizations.

In 2011 he founded and became Vice President of Madison Capital S.r.l., a company operating in Private Equity and Venture Capital.

Since 2013, he has been a member of the Impartiality Protection Committee of Q-Aid Assessment & Certification S.r.l., a UN:EN ISO 9001:2008 quality certification body.

From 2014 to 2015, he was the Bondholder Representative of Bomi Group S.p.A., a company active in medical logistics.

Since 2018, he has been a member of the Board of Directors of Eligo S.p.A., an innovative start-up in the Fashion Tech sector, listed in the Euronext Growth Milan PRO stock market segment.

From 2019 to 2021, he was Chairman of the Board of Directors of Italgas S.p.A., the industrial holding company of the Italgas Group, market leader in the gas distribution sector.

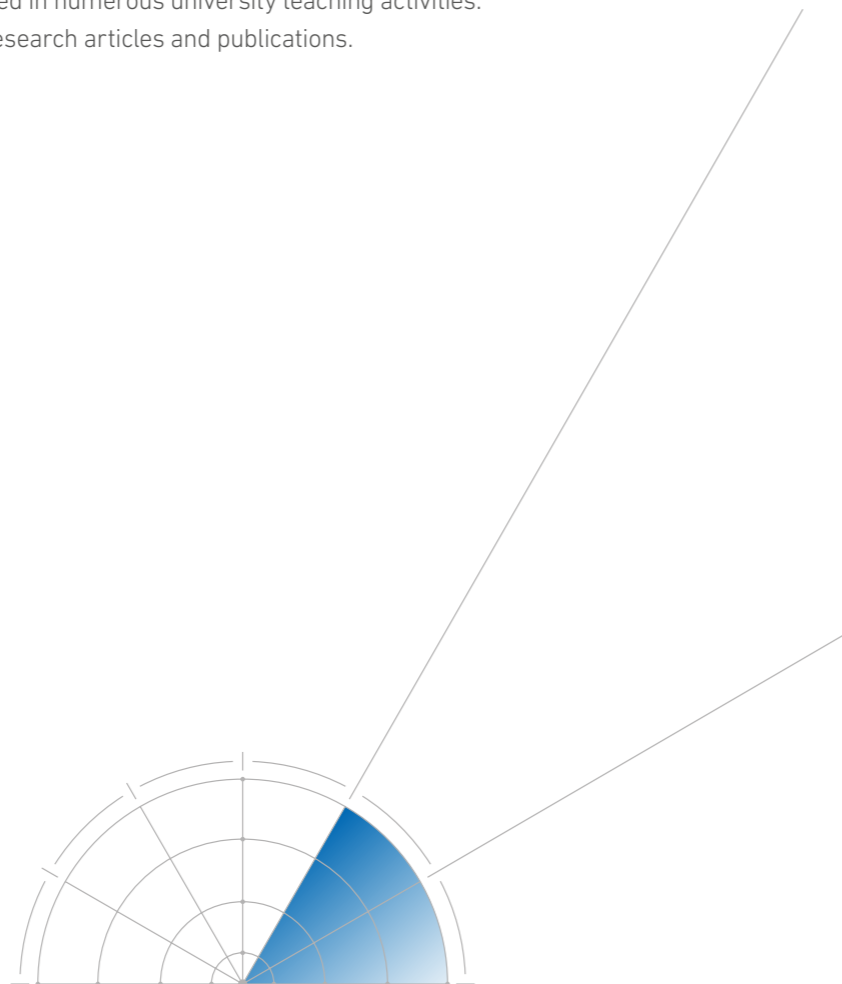
Since 2021, he has been an independent member of the Board of Directors of Prismi S.p.A., a company active in digital marketing services, listed in the Euronext Growth Milan stock market segment, and an independent member of the Board of Directors of CleanBnB S.p.A., a company active in hospitality management services, quoted on the Euronext Growth Milan stock market segment.

Since 2021, he has been Chairman of the Board of Directors of ASM Vendita e Servizi S.r.l., a company selling electricity, gas and heat belonging to the ASM Voghera S.p.A. group.

Since 2022, he has been a member of the Board of Directors of HBI S.r.l., an innovative start-up in the circular economy technology sector, and a member of the supervisory body of FT Systems S.r.l., a company active in control and inspection services in the packaging food& beverage sector, part of the Antares Vision Group, and a member of the Board of Directors of Brightside Capital S.A., an asset management company.

Since December 2022, he has been a member of the Board of Directors of Matis S.p.A., a company producing printed tapes and closure systems for diapers, listed in the Euronext Growth Milan stock market segment.

He is the author of several books and scientific articles at national and international level.





Year of birth: 1963
Place of birth: Rovereto
Role: Director since May 2022

Born in Rovereto in 1963, he graduated in Business Economics with a specialisation in Corporate Finance from the Bocconi University in Milan.

He began his career at Mediobanca S.p.A., where from 1987 to 2014 he held various roles, including credit analyst for lending activities (from 1987 to 1991); commercial development manager for a portfolio of European clients (from 1991 to 1995); responsible for the development and managing the Structured Finance activities (acquisition finance, project finance, export finance, securitization, and syndication) and Mid Corporate team development (from 1995 to 1999); lending and structured finance manager reporting to the CEO (from 1999 to 2003); lending and structured finance manager and Mid Corporate team manager, co-head of Coverage and Corporate Finance and international activities manager (from 2003 to 2006); as well as Vice CEO responsible for lending and structured finance activities and supervision of the Mid Corporate team and international activities (from 2006 to 2014).

Also, at Mediobanca, from October 2007 to October 2014, he was a member of the Board of Directors and Executive Committee.

From October 2005 to October 2020, he was a Director and member of the Credit and Investment Committee of Mediobanca International Ltd., a Luxembourg-based bank of the Mediobanca Group, where he also served as Chairman of the Board of Directors from 2005 to 2016.

From October 2014 to April 2017, he was a Director and member of the Risk Committee of Banca Esperia, a joint venture between Mediobanca and Banca Mediolanum.

From June 2016 to December 2019, he served as Chairman of the Investment Committee IDEA CCR I and II of DeA Capital Alternative Funds SGR.

From March 2016 to February 2022, he held various roles at Muzinich & Co. SGR and in particular: Founding partner and CEO (from May 2016 to September 2018); senior advisor of Muzinich & Co. and key figure of the Fondo di Credito Diversificato per le Imprese (from October 2018 to February 2022), the first private debt fund in Italy in terms of size, which has fully invested its assets in senior loans to approximately 70 companies.

From August 2019 to April 2022, he held various roles in the Illimity Bank Group, such as Chief Lending Officer of Illimity Bank S.p.A. (from January 2021 to February 2022), Chairman of Illimity SGR (from January 2021 to April 2022) and Member of the Credit and Investment Committee (from August 2019 to February 2022).

Since March 2022, he has been Deputy Managing Director and Business Director of Cassa Depositi e Prestiti S.p.A. Since July 2018, he has been a co-founder and board member of IPOPOP Onlus - Association Together for Lung Oncology Patients.



Year of birth: 1949
Place of birth: Imperia
Role: Director since April 2019

Born in Imperia in 1949, she graduated in Architecture from Politecnico di Torino in 1973.

She is qualified as an architect and has been a member of the Order of Architects of the Province of Imperia since 1974.

From 1985 to 1996, she was President of the Order of Architects of the Province of Imperia and was re-elected to this role in 2021.

In 1990, she was elected INARCASSA delegate for the Liguria region. In 1995, she was appointed Vice-President of the Board of Directors of INARCASSA.

From 2000 to 2015, for three successive terms, she was President of INARCASSA, working on the development of its financial assets. She also led the reforms to ensure INARCASSA's financial sustainability at 50 years as required by the so-called "Save Italy" decree.

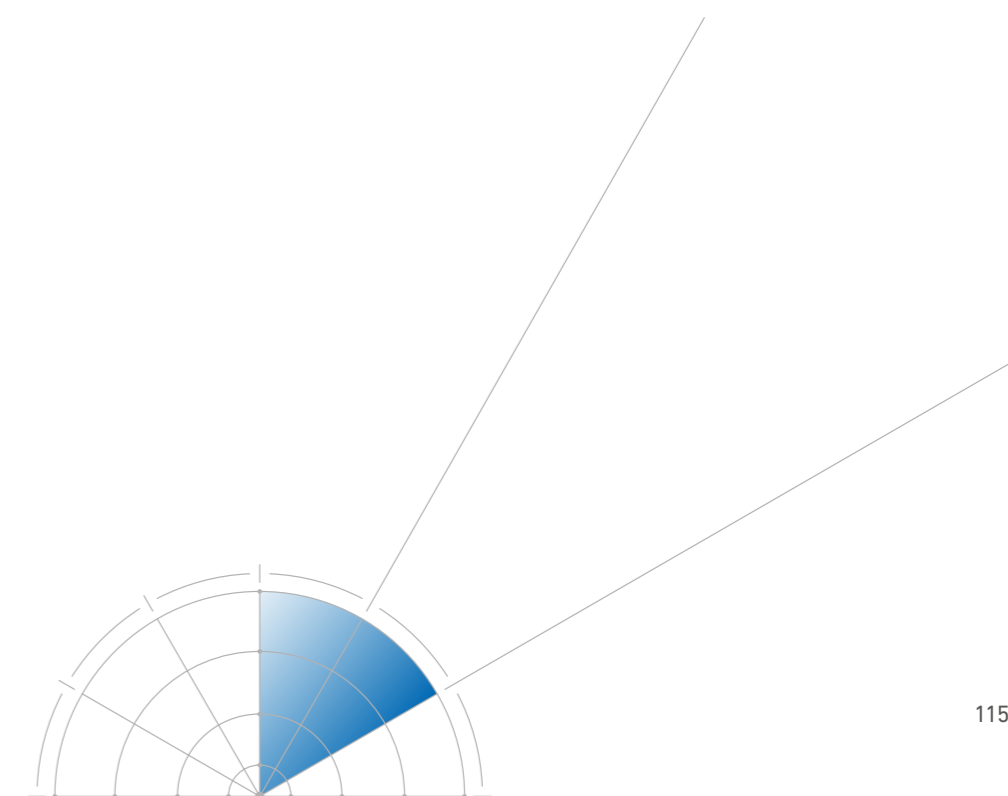
Over the course of her professional career, she has developed many infrastructural and tertiary construction projects, including the project for the tourist port of Santo Stefano al Mare (IM), capable of berthing a thousand boats, and for the new headquarters of the Imperia Chamber of Commerce, which includes the renovation of a 1920s industrial building

Member of the Board of Directors of Enel Rete Gas S.p.A. from 2012 to 2013, she was also a Director and Member of the Nominations and Remuneration Committee of Enel Green Power S.p.A. from 2013 to 2016.

From 2014 to 2021, she was Chairman of the Board of Directors of 2iRete Gas S.p.A.

She has also been a member of the Board of Directors of Fimit SGR S.p.A., a member of the Advisory Committee of the Kairos Centauro fund, and Chairman of the Investment Committee of Compartment Two of the Inarcassa RE Real Estate Fund.

She was also a member of the Board of Directors of ADEPP, the trade association for private pension provision. She has been a speaker at many conferences on social security and financial issues.





Year of birth: 1973
Place of birth: Sanremo
Role: Director since May 2022

Born in Sanremo in 1973, she graduated in Economics and Business at the Bocconi University of Milan and later obtained a PhD in Business Economics at the University of Turin.

She started her career at Procter&Gamble, where she held positions of increasing responsibility in mature and emerging markets from 1997 onwards until becoming leader of Cosmetics International Operations in 2012, overseeing more than 70 countries worldwide in the brands under her responsibility.

From 2014 to 2017, she was CEO of L'Oréal Italia and led the company's return to growth in a challenging economic environment.

From July 2017 to December 2021, she served as CEO of KIKO S.p.A., a leading make-up company that led a successful turnaround thanks to a Business Plan based on product innovation, digital transformation and geographical expansion in the Middle East and Asia.

She is a member of the Board of Directors of EssilorLuxottica S.p.A. and has been Chief Executive Officer of Illycaffé S.p.A. since January 2022.

Over the course of her career, she has been honoured with several awards and in 2019 was made a Knight of the Order of the Legion of Honour and included by Forbes in its list of the 100 most influential women leaders.

She is a speaker at numerous national and international congresses and conferences on the topics of business development, leadership, diversity and sustainability.



Year of birth: 1962
Place of birth: Udine
Role: Director since May 2022

Born in Udine in 1962, he graduated in Economics and Business at the University of Trieste.

An Insurance Executive with consolidated international experience both in managing the main components of the insurance and reinsurance value chain and the management of strategic and financial planning processes. An expert in implementing both development and turnaround programmes on an international basis, he is active in promoting innovation in the insurance industry by leveraging digitisation, telematics and data analytics.

He started his career at Assicurazioni Generali as an insurance market analyst.

From 1991 to 1992, he worked as Property Underwriter at the US branch of Assicurazioni Generali.

From 1993 to 1996, he was responsible for the Multinational Division of Assicurazioni Generali in the UK, where he managed a unit dedicated to underwriting multinational insurance programmes for UK clients.

From 1996 to 2002 at Assicurazioni Generali, he was Group Insurance Operations Area Manager, in charge of the Group's strategic positioning in emerging countries, and in particular, in South Asia and China.

From 2002 to 2007, he held the position of Central Director of Assicurazioni Generali in charge of the Group's foreign business.

From 2007 to 2012, he was Deputy Managing Director, in charge of Group Insurance Operations, Group Life and Group Reinsurance, reporting to the CEO.

From 2013 to 2014, as Group Chief Technical Officer, among other things, he set up and managed the Generali Group Technical Excellence Programme, a group-wide initiative aimed at improving technical performance in both life and non-life insurance.

From 2014 to 2016, he served as Group Head of Insurance and Reinsurance and from 2016 to 2017, he was Group Chief Insurance Officer in charge of the Group's core insurance and reinsurance business and a member of the Group Management Committee.

From 2018 to 2020, he held various roles in the Cattolica Assicurazioni group, including Managing Director of the technical and distribution area, President of Catt Re, a company dedicated to the development of Speciality Lines, and Managing Director of Cattolica Services, a consortium company providing services to Cattolica group companies.

Since 2021, he has been Senior Advisor at Allianz Italia S.p.A. and member of the Board of Directors of Intercona Re (Nestlé Group).

ALICE
VATTA

Year of birth: 1975
Place of birth: Turin
Role: Director since May 2022

Born in Turin in 1975, she holds a degree in Civil Engineering from the Polytechnic University of Turin in 1999. In 2004, she obtained a Master's degree in Business Administration in the United States from the Walter Haas School of Business at the University of California Berkeley.

She began her professional career in 1998, during her civil engineering studies, at a Shell petrochemical site in France, as a quality control procedures officer supporting the manager.

In 1999, she co-authored a publication in the "Journal of Wind Engineering" on the results of a fluid-dynamic simulation performed for her dissertation at Optiflow Consulting in France.

In 2003, during her MBA, she did an internship at the International Finance Corporation - part of the World Bank - where she redesigned the marketing strategy of the investment department in the "General Industrial and Consumer Products" sector.

From 2000 to 2013, she worked at McKinsey & Company earning the role of Associate Principal as the contact person for the "Electric Power and Natural Gas" area and priority commitment on projects for both Italian and foreign clients (in Europe, North Africa and South America), focused on renewable energy and grid and distributed infrastructures, the definition of market strategies, organizational restructuring and operational performance improvement programmes.

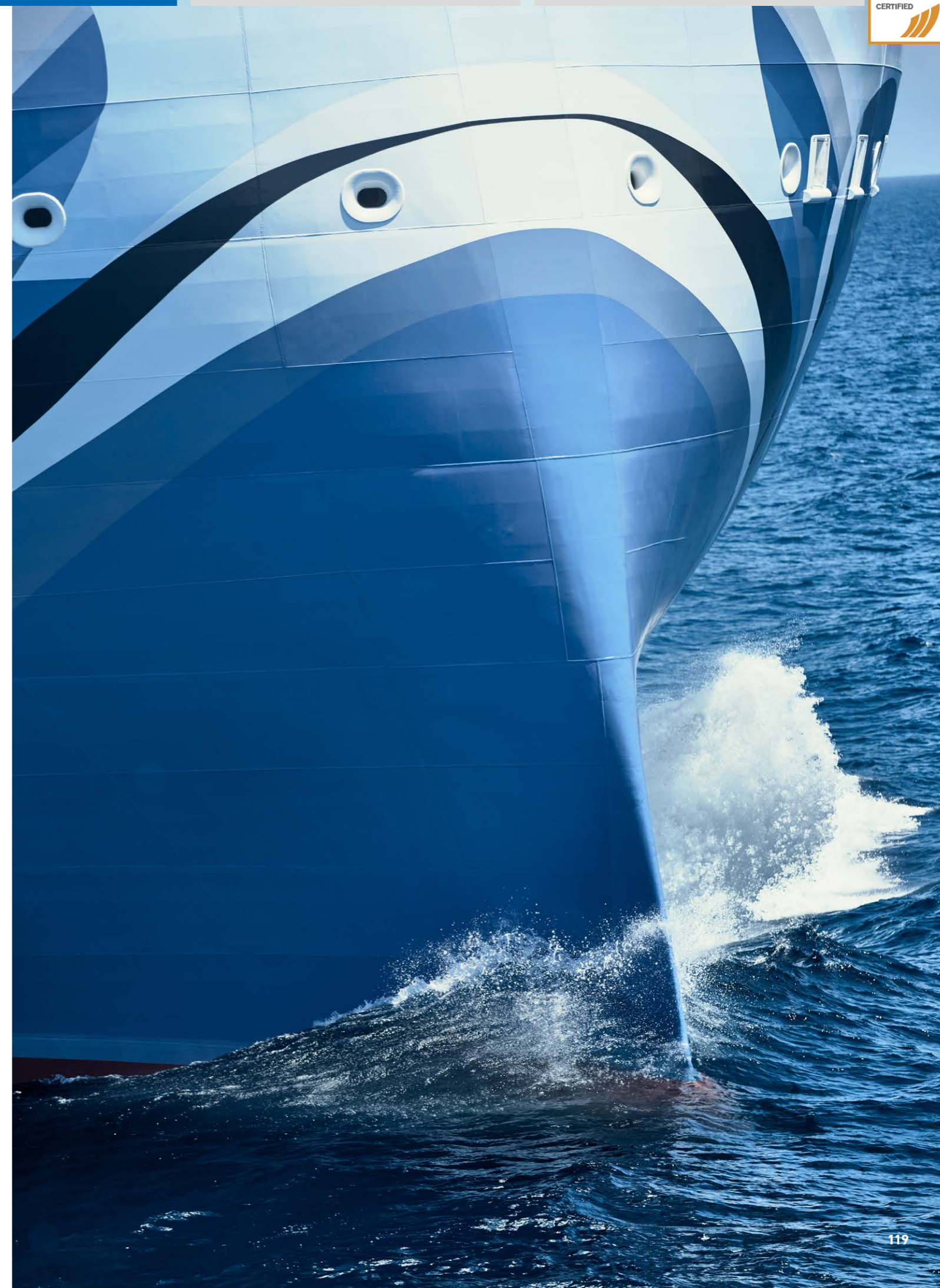
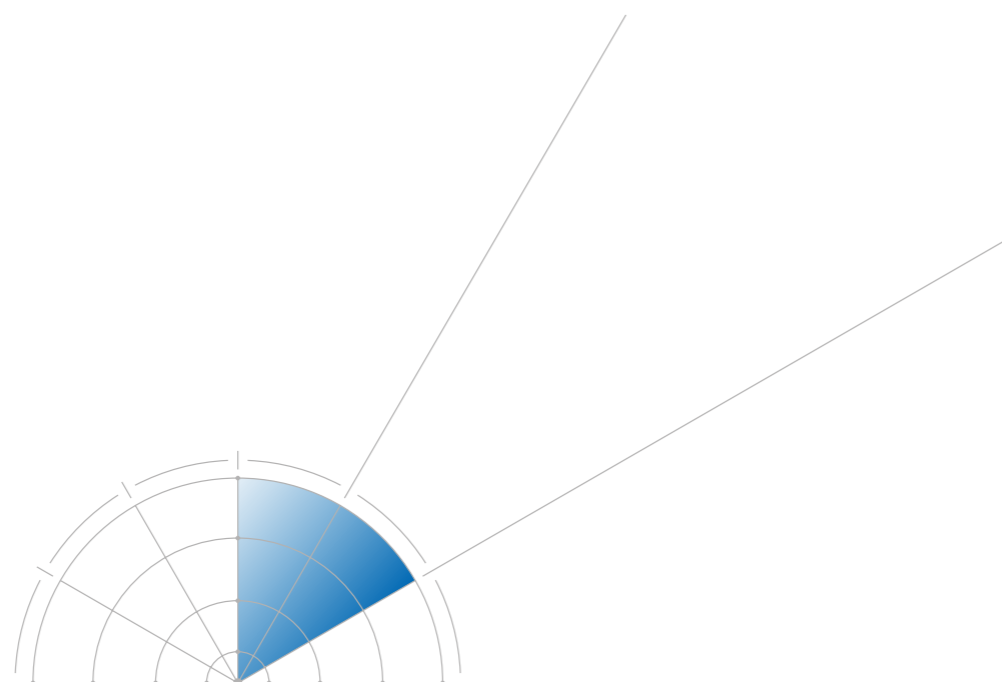
From 2013 to 2014, she was Principal at Bain & Company as leader of the "European Energy practice", where she supported energy players in international expansion operations in the Middle East.

From 2014 to 2018 she served as VP Strategic Clients at C3.ai, a leader in the design, development and implementation of Artificial Intelligence applications, for which she oversaw the opening of the Italian branch and the growth of major European accounts.

Since 2018, she has been a partner and Chief Executive Officer at Business Performance Institute, a boutique consultancy that designs and implements programmes to grow the skills and leadership of managerial resources, supporting the performance improvement of global organizations.

Since 2019, she has been Equity Founder and member of the Investment Committee of Archangel AdVenture, a company specialising in investments in pre-seed and seed stage start-ups.

Since 2020, she has been an independent Director of the Hera S.p.A. Group and a member of the Ethics and Sustainability Committee and the Remuneration Committee of Hera S.p.A.



Annex 2

Curriculum vitae of the Board of Statutory Auditors Members



**GIANLUCA
FERRERO**

Year of birth: 1963

Place of birth: Turin

Role: Chairman of the Board of Statutory Auditors since May 2014

Born in Turin in 1963 and holding a degree in Business and Economics in 1988, he is a chartered accountant and expert in the field of corporate and tax law.

He has been a member of the Order of Chartered Accountants of Turin since 1989 and a member of the Register of Auditors since 1995. He is also a Technical Advisor to the Judge at the same Court.

He is Chairman of the Board of Statutory Auditors of Luigi Lavazza S.p.A., Biotronik Italia S.p.A., Praxi Intellectual Property S.p.A., P. Fiduciaria S.r.l., Emilio Lavazza S.a.p.a., GEDI Gruppo Editoriale S.p.A., Nuo S.p.A. and Lifenet S.r.l. He also holds the position of Statutory Auditor in Fenera Holding S.p.A.

He is Deputy Chairman of the Board of Directors of Banca del Piemonte S.p.A., Sole Director of San Carlo 2016 Immobiliare S.r.l., member of the Board of Directors of Italia Independent Group S.p.A., LOL S.r.l., Pygar s.r.l. and Big Five S.r.l.



**PASQUALE
DE FALCO**

Year of birth: 1964

Place of birth: Naples

Role: Standing statutory auditor since June 2020

Born in Naples in 1964 and graduated in Business and Economics in the 1991/92 academic year after obtaining a classical high school diploma at the Liceo Classico Statale "Vittorio Imbriani" in Pomigliano d'Arco, he is a chartered accountant. Since 1999, he has been a member of the Register of Auditors and the Register of Chartered Accountants of Nola. He has been a member of the CTU Register of the Court of Nola since 2003. Starting in 2003, he was an auditor of public limited companies until 2010. Since 2000, he has worked as a bankruptcy receiver, judicial custodian of real estate, professional delegate for real estate sales and CTU at the Court of Nola.

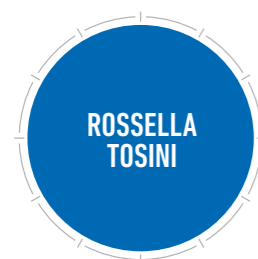
Since 2019, he has been a member of the Board of Statutory Auditors of Azienda Sanitaria Locale di Salerno and of Aeroporti di Roma S.p.A. From 2003 to 2010, he was a member of the Board of Statutory Auditors of Enam S.p.A. and from 2003 to 2006, of Agenzia Metropolitana per la cultura S.p.A.

Since 2009, he has acted as judicial custodian and delegated professional in numerous real estate enforcement proceedings at the Court of Nola. From 2000 to 2018, he acted as bankruptcy receiver at the Court of Nola, managing numerous bankruptcy proceedings until their closure, with the liquidation of movable and immovable assets, while he also acts as CTU at the same Court, with expertise in accounting and banking matters to his credit. From 2005 to 2011, he was also judicial custodian of companies seized by the Court of Nola.

He gave lectures both as part of the bankruptcy law course organized by the AIGA of Nola and the Order of Chartered Accountants of Nola, and as part of the course for delegated professionals organized by the Order of Chartered Accountants of Nola.

Since the beginning of his professional experience, he has attended numerous training courses, mainly on auditing, enforcement procedures, bankruptcy and insolvency law, and tax law.

From 1992 to 1999, he worked as an employee of Banco di Napoli. In particular, from 1992 to 1993 as securities office clerk at the parent branch in Nola and from 1993 to 1994 as clerk at the Overdraught Office. Subsequently, from 1994 to 1995, he worked in the Debt Recovery Office, in direct contact with clientele and external legal advisors to take care of the various stages of recovery: drawing up repayment plans, monitoring debt outflows, initiating the most appropriate legal actions. From 1995 to 1999, he worked as a clerk in the Credit Bureau, in direct contact with clientele and with the function of coordinating other clerks as well as acting as an interface for the DG's positions between the parent branch in Nola and the Creditalia Central Service. From September to December 1999, he was a small business manager at a credit centre consisting of three branches, acting as the proposing body for credit facilities, and responsible for the first-person management of performing and watchlist credit relationships.



**ROSSELLA
TOSINI**

Year of birth: 1959
Place of birth: Sarzana
Role: Standing statutory auditor since June 2020

Born in Sarzana (SP) in 1959, she graduated in Business and Economics in the academic year 1983-1984 and is a chartered accountant and auditor.

From 1995 to 2001 she was Director and from 2001 to 2007 Vice President of the Order of Chartered Accountants for the La Spezia Court District; from 2008 to 2016 she was Councillor of the Order of Chartered Accountants of La Spezia and from 2008 to 2013 she was Alternate Councillor of the National Council of Chartered Accountants. From 2009 to 2016, she was Coordinator of the Disciplinary Commission of the Order of Chartered Accountants of La Spezia.

From 2000 to 2003, she was a member, and since 2003, she has been president of the board of auditors of the Association of Chartered Accountants Alto Tirreno of Pisa. From 2003 to 2006, she was a member of the auditors of the municipality of Santo Stefano di Magra, from 2006 to 2013 she was president of the board of auditors and from 2013 to 2018 she was a member of the evaluation team for the same municipality.

From 2014 to 2019, she was a member of the Board of Statutory Auditors of Centro Agroalimentare Levante Ligure e Lunigiana S.r.l. in Sarzana.

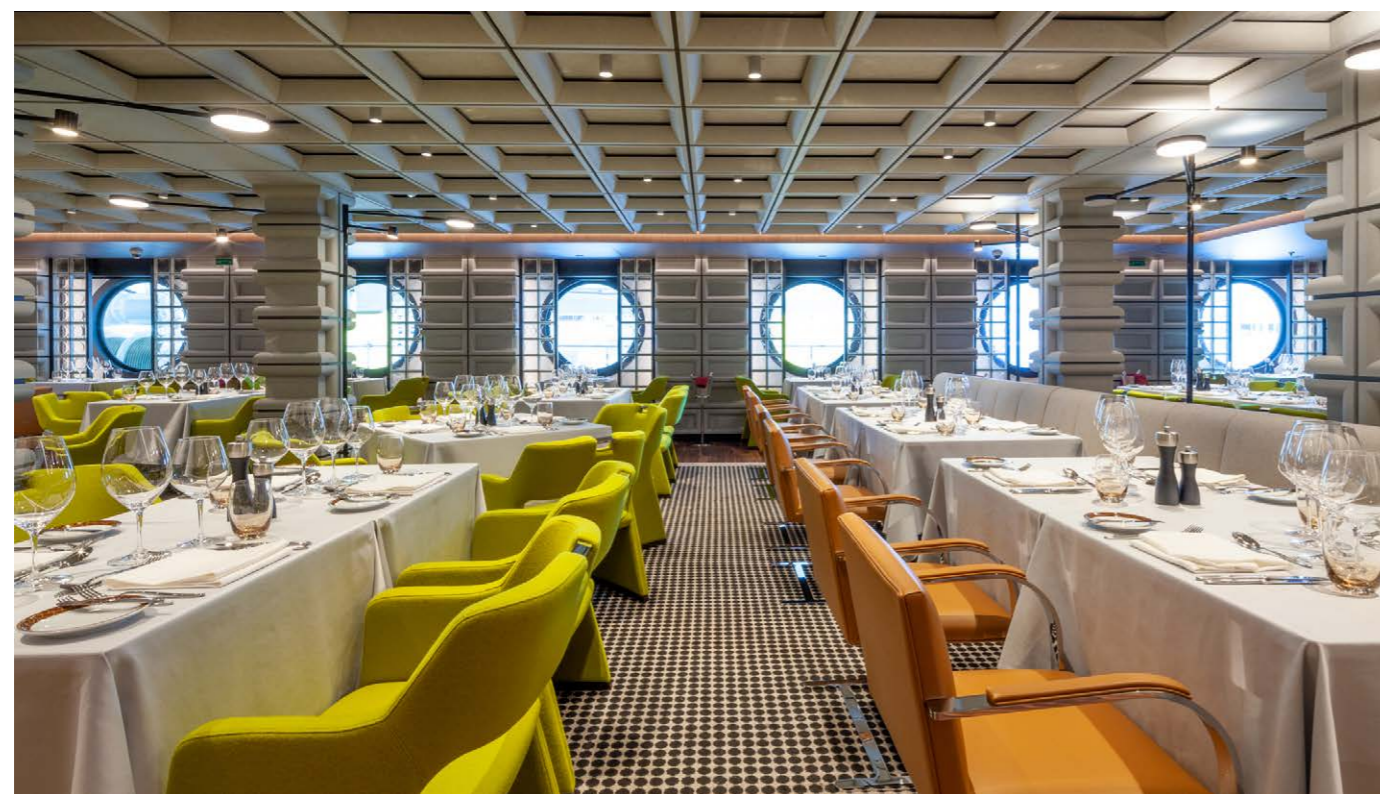
From 2014 to 2020, she was a full member of the Board of Statutory Auditors of ATC Esercizio S.p.A.

Since 2017, she has been an alternate auditor of I.C.A S.r.l. and Spezia Risorse S.p.A.

From 2013 to 2016, she was a member of the study commission of the National Council of Chartered Certified Accountants "Commission for composition before bankruptcy".

Since 2022, she has been a member of the Board of Directors of the Cardinal Spina Kindergarten Foundation.

She acts as liquidator in bankruptcy proceedings, settlement of the over-indebtedness crisis, and court-appointed technical consultant at the Civil Criminal Court of La Spezia.



**ALDO
ANELLUCCI**

Year of birth: 1967
Place of birth: Rome
Role: Alternate auditor since June 2020

Born in Rome in 1967, he is a chartered accountant and auditor. Since 9 June 2020, he has been an Alternate Auditor of Fincantieri.

He has been a member of the Order of Chartered Accountants of Rome since 1993 and a member of the Register of Auditors since 1999. He is also enrolled in the register of bankruptcy receivers at the Court of Velletri, as well as in the register of Technical Consultants of the Judge at the same Court.

He has been practising since 1993. From 2003 to 2015, he was administrative and tax advisor of a corporate pension fund of Merck Sharp & Dohme; from 2005 to 2012, he was also tax advisor of the Istituto Superiore per la Protezione e la Ricerca Ambientale ("ISPRA", formerly "APAT") and from 2006 to 2008 of the Unitelma Telematic University. Since 2012, he has been a VAT consultant for the Secretariat of the Presidency of the Italian Republic. Since 2017, he has been Tax Advisor to the Municipality of Marino.

Since 1997, he has held the position of bankruptcy receiver, commissioner and CTU at the Court of Velletri.

From 2015 to 2017, he was an accounting and tax consultant in the context of extraordinary administration procedures of companies in accordance with Legislative Decree No. 270 of 8 July 1999. From 2018 to 2019, he was Advisor to the Extraordinary Administration Procedure of Condotte S.p.A., an assignment received from the Extraordinary Commissioners Mi.SE.

From 1992 to 2001 he was Statutory Auditor, from 2001 to 2009 Chairman of the Board of Statutory Auditors, from 2009 to 2013 Chairman of the Board of Directors of the Banca di Credito Cooperativo di Marino.

From 2000 to 2007, he was a statutory auditor of C.I.S. Compagnia Italiana Strade S.p.A. of Turin.

From 2009 to 2013, he was statutory auditor of the Federazione delle Banche di Credito Cooperativo del Lazio Umbria Sardegna. From 2009 to 2017, he was statutory auditor of Unaprol-Consortio Olivicolo Italiano.

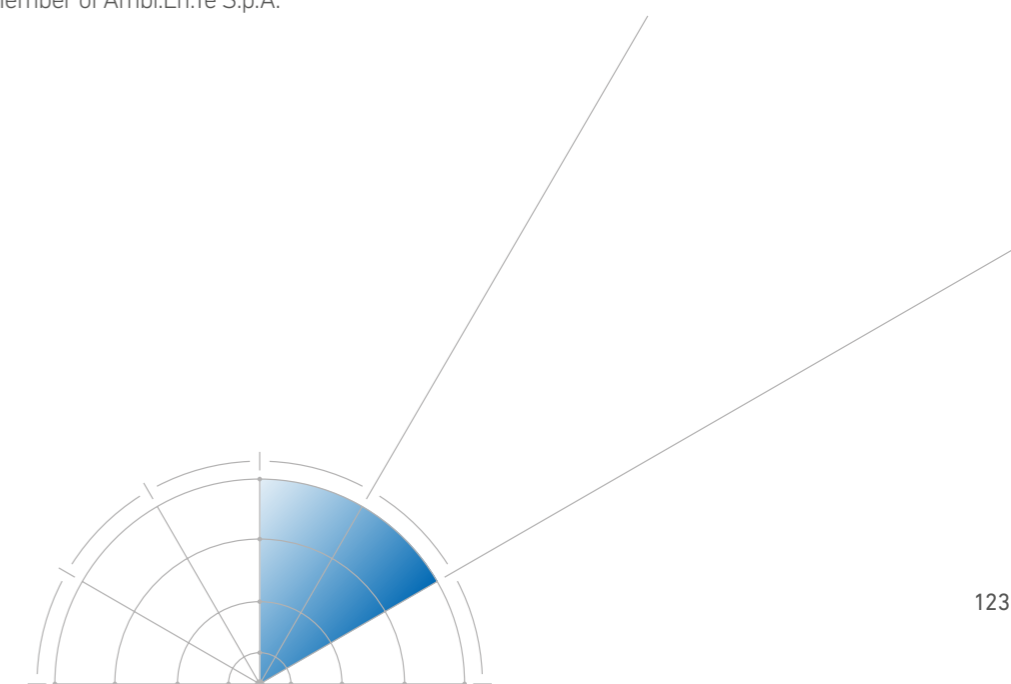
From 2017 to 2020, he was Chairman of the Board of Statutory Auditors of Cife S.p.A.

Since 2018, he has been a statutory auditor of Banca di Credito Cooperativo di Nettuno, as well as a statutory auditor of Inso S.p.A., upon appointment by the Extraordinary Commissioners of Condotte S.p.A. From 2018 to 2019, he was a statutory auditor of Sof S.p.A., again upon appointment by the Extraordinary Commissioners of Condotte S.p.A.

Since 2020, he has been a Statutory Auditor of Cife S.p.A. in Liquidation. Since 2020, he has been a Statutory Auditor of Italcertifier S.p.A. FS Group.

Since 2021, he has been a Board Member of Legal Digital Transformation S.r.l.

Since 2022, he has been a Board Member of Ambi.En.Te S.p.A.





Year of birth: 1958
Place of birth: Rome
Role: Alternate auditor since May 2017

He graduated in Business and Economics in 1981 and is a Chartered Accountant and Auditor. From March 1982 to May 1983, he was an officer in the Guardia di Finanza. He has been an Alternate Auditor of Fincantieri since May 2017.

From July 1983 to November 1997, he worked as a partner since 1994 at the Studio di Consulenza Legate e Tributaria - Correspondent of Andersen Worldwide and from 1998 to 2012, he was a partner at CBA Studio Legale e Tributario. Since 2013, he has been a partner of Legalitax Studio Legale e Tributario with offices in Rome and Milan.

He mainly deals with the corporate and tax aspects of restructuring, acquisition and merger transactions carried out by corporate groups, including international groups, and has gained specific expertise in company appraisals in both the industrial and financial sectors.

He was a Statutory Auditor of Acea S.p.A., Autostrade per l'Italia S.p.A., Atlantia S.p.A., Ergo Assicurazioni S.p.A. and Ergo Previdenza S.p.A. (Munich RE Group), F2i SGR S.p.A., Telecom Italia Media S.p.A., STA S.p.A. (Agenzia per la Mobilità del Comune di Roma), Chairman of the Board of Statutory Auditors for Aim Group International S.p.A., Engineering D.Hub S.p.A., Ama S.p.A., Banca Finnat S.p.A., Tim Real Estate S.r.l. (Telecom Italia group), sole auditor for Lottomatica Giochi e Partecipazioni S.r.l., vice-commissioner of Federazione Italiana Sport Equestri, member of the Board of Directors for Assicurazioni di Roma Mutua Assicurazione del Comune di Roma, member of the Board of Directors and member of the Control and Risk committee at Rai Way S.p.A. (Borsa Italiana listed company) and Engineering for Ingegneria Informatica S.p.A., member of the auditing committee, representing the Minister for Youth Affairs and Sports, for the public body Sportass Cassa di Previdenza per l'Assicurazione degli Sportivi and member of the Surveillance Committee of Faro Assicurazioni e Riassicurazioni S.p.A. under compulsory liquidation.

As at the date of this Report, he was Chairman of the Board of Statutory Auditors of Banca Cesare Ponti S.p.A., Vianini S.p.A. (a company listed on Borsa Italiana), Compagnia Ferroviaria Italiana S.p.A., and Consorzio per i servizi di telefonia mobile S.C.p.A. (a company belonging to the Posteitaliane Group).

He is chairman of the CONI board of auditors.

He is the chairman of the supervisory body of EF Solare Italia S.p.A., Persidera S.p.A. a s.u., Rai Way S.p.A. and a member of Acea Produzione S.p.A., Acea AT02 S.p.A. and Leonardo Global Solutions S.p.A.



Year of birth: 1955
Luogo di nascita: Milan
Role: Alternate auditor since June 2020

Born in Milan in 1955 and holding a degree in Business and Economics in 1980, she is a chartered accountant and auditor. Since 9 June 2020, she has been an Alternate Auditor of Fincantieri.

Since 1982, she has been the owner of Studio Scuteri, based in Milan, specialising in corporate, tax and accounting consultancy for resident and European tax disputes.

In the course of her professional activity, she was mainly involved in the preparation of ordinary and consolidated financial statements - focusing on highlighting issues related to the application of correct financial statement disclosures and the accounting of corporate and group events, as well as the performing activities related to tax disputes. She has managed the preparation of economic-financial restructuring of companies and the improvement of business operations, and has acted as liquidator in bankruptcy proceedings, also participating in the preparation of the admission phase of such proceedings.

She carries out tax and accounting consultancy and auditing activities.

Since 2019, she has been a member of the Board of Auditors of the Pinacoteca di Brera; since 2020, she has been Chairman of the Board of Statutory Auditors of Poste Assicura S.p.A.; since 2022, she has been Chairman of the Board of Statutory Auditors of CEF3 WIND ENERGY S.p.A. as well as Chairman of the Board of Statutory Auditors of Società Energie Rinnovabili S.p.A.; since 2022, she has been a member of the Board of Statutory Auditors of ENAV S.p.A. Since 2018, she has been Alternate Auditor of Cremonesi Workshop S.r.l. and since 2022, she has been Alternate Auditor of Net Holding S.p.A.

She has held the position of Sole Director of Montanino S.r.l. since 1992 and of Gaia S.r.l. since 2006.

She was Chairman of the Board of Statutory Auditors of AMSC S.p.A. and Portoverde S.r.l., as well as Standing Auditor of SEA S.p.A., Elvetia Engineering S.r.l., Atir Immobiliare S.p.A., Nicolao della Flue S.r.l. and F2i Reti Logiche S.r.l.

She has been an alternate auditor of AEMMELINEA AMBIENTE S.r.l., Connect Information Technology S.p.A., SEA S.p.A., Bloom S.p.A., Leoni Felisi S.r.l. and Global Impact Italia S.p.A.

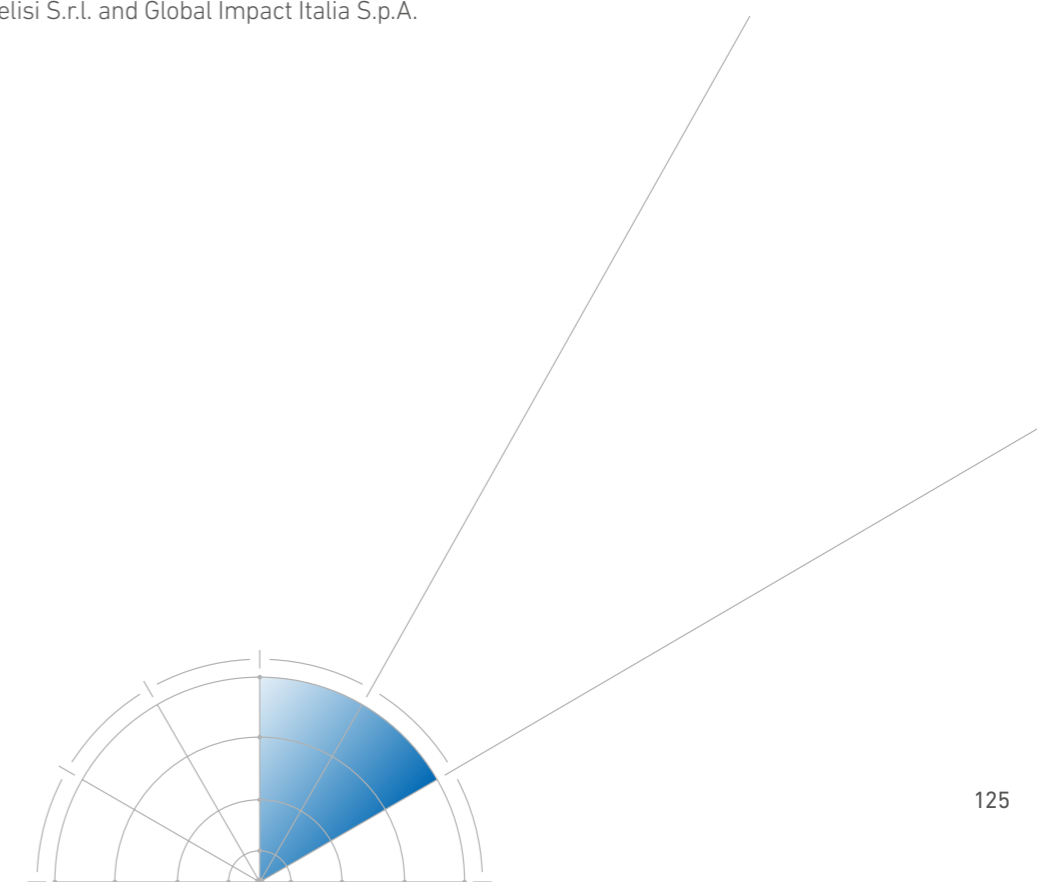


Table 1

Structure of the Board of Directors at the End of the Financial Year

BOARD OF DIRECTORS													
OFFICE	MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE	Min SLATE*	EXEC.	NON-EXEC.	INDEP. CODE	INDEP/ITALIAN CONSOLIDATED LAW ON FINANCE (TUF)	NO. OF OTHER APPOINTMENTS**	%***
Chairman BoD	Claudio Graziano	1953	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	✓	-	-	-	-	100
CEO	Pierroberto Folgiero	1972	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	✓	-	-	-	-	100
Director	Paolo Amato	1964	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	INARCASSA	m	-	✓	✓	✓	1	100
Director	Alessandra Battaglia	1975	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	-	✓	-	-	-	100
Director	Alberto Dell'Acqua	1976	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	-	✓	✓	✓	-	100
Director	Massimo Di Carlo	1963	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	-	✓	-	-	-	100
Director	Paola Muratorio	1949	19/05/2016	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	INARCASSA	m	-	✓	✓	✓	-	100
Director	Cristina Scocchia	1973	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	-	✓	✓	✓	1	88
Director	Valter Trevisani	1962	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	CDP Industria S.p.A. ¹	M	-	✓	✓	✓	-	100
Director	Alice Vatta	1975	16/05/2022	16/05/2022	Sh. meeting to app. 2024 Fin. Stat.	INARCASSA	m	-	✓	✓	✓	1	100

DIRECTORS TERMINATED DURING THE FINANCIAL YEAR

OFFICE	MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE	Min SLATE*	EXEC.	NON-EXEC.	INDEP. CODE	INDEP/ITALIAN CONSOLIDATED LAW ON FINANCE (TUF)	NO. OF OTHER APPOINTMENTS**	%***
Chairman BoD	Giampiero Massolo	1954	19/05/2016	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	✓	-	-	-	-	100
CEO	Giuseppe Bono	1944	29/04/2002	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	✓	-	-	-	-	100
Director	Barbara Alemanni	1964	05/04/2019	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	-	✓	✓	✓	3	100
Director	Massimiliano Cesare	1967	03/07/2014	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	-	✓	✓	✓	2	75
Director	Luca Errico	1966	05/04/2019	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Institutional Investors	m	-	✓	✓	✓	-	100
Director	Elisabetta Oliveri	1963	05/04/2019	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Institutional Investors	m	-	✓	✓	✓	2	75
Director	Fabrizio Palermo	1971	19/05/2016	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	-	✓	-	✓	-	75
Director	Federica Santini	1983	05/04/2019	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	-	✓	-	-	-	100
Director	Federica Seganti	1966	05/04/2019	05/04/2019	Sh. meeting to app. 2021 Fin. Stat.	Fintecna S.p.A.	M	-	✓	✓	✓	4	75

No. of meetings held in 2022

Average length of meetings

✓: Satisfies the requirement.

-: Not applicable.

* This column indicates whether the director was taken from the majority list ("M") or from a minority list ("m").

** This column shows the number of directorships or statutory auditor posts held by the person concerned in other listed or large companies, as of 31 December 2022.

*** This column shows the percentage attendance by Directors at meetings of the Board of Directors during 2022.

¹ With effect from 31 December 2022, CDP Industria S.p.A., a wholly owned subsidiary of CDP S.p.A., was merged into CDP Equity S.p.A, also a wholly owned subsidiary of CDP S.p.A.

Table 2

Structure of the Board Committees at the end of the Financial Year

BOARD OF DIRECTORS		CRC		RC		NC		SC		COPC	
OFFICE	MEMBERS	%**	**	%**	**	%**	**	%**	**	%**	**
Chairman of the Board of Directors - executive and non-independent	Claudio Graziano	-	-	-	-	-	-	-	-	-	-
CEO	Pierroberto Folgiero	-	-	-	-	-	-	-	-	-	-
Non-executive Director - independent per Italian Consolidated Law on Finance (TUF) and Code	Paolo Amato	100	X	-	-	-	-	100	P	100	X
Non-executive director - non-independent	Alessandra Battaglia	-	-	-	-	100	X	100	X	-	-
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Alberto Dell'Acqua	100	P	100	X	-	-	100	X	100	P
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Massimo Di Carlo	100	X	100	X	-	-	-	-	-	-
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Paola Muratorio	-	-	100	P	-	-	100	X	-	-
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Cristina Scocchia	86	X	-	-	100	P	-	-	100	X
Non-executive director - non-independent	Valter Trevisani ¹	-	-	100	X	100	X	-	-	100	X
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Alice Vatta	-	-	-	-	100	X	100	X	-	-

DIRECTORS TERMINATED DURING THE FINANCIAL YEAR												
BOARD OF DIRECTORS		CRC		RC		NC		SC		COPC		
OFFICE	MEMBERS	%**	**	%**	**	%**	**	%**	**	%**	**	
Chairman of the Board of Directors - executive and non-independent	Giampiero Massolo	-	-	-	-	-	-	-	-	-	-	
CEO	Giuseppe Bono	-	-	-	-	-	-	-	-	-	-	
Non-executive Director - independent per Italian Consolidated Law on Finance (TUF) and Code	Barbara Alemanni	100	X	100	X	-	-	-	-	100	X	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Massimiliano Cesare	100	P	-	-	0	X	-	-	100	P	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Luca Errico	-	-	-	-	100	X	75	X	-	-	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Paola Muratorio ¹	-	-	100	P	-	-	100	X	100	X	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Elisabetta Oliveri	-	-	100	X	-	-	100	P	-	-	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF)	Fabrizio Palermo	-	-	67	X	50	X	-	-	-	-	
Non-executive director - non-independent	Federica Santini	50	X	-	-	-	-	100	X	-	X	
Non-executive director - independent per Italian Consolidated Law on Finance (TUF) and Code	Federica Seganti	75	X	-	-	100	P	-	-	100	X	

	CRC	RC	NC	SC	COPC
No. of meetings held in 2022	12 ²	6	4	9	2
Average length of meetings	101 min.	84 min.	81 min.	139 min.	48 min.

CRC: Control and Risk Committee

RC: Remuneration Committee.

NC: Nomination Committee.

SC: Sustainability Committee.

COPC: Related Party Transactions Committee.

P: Chairman of the Committee.

X: Committee member.

-: Not applicable.

¹ Member of the CRC who replaces the non-independent Director when the committee, meeting as the RPT Committee, examines the most significant related party transactions.

² Of which 2 acting as Related Party Transactions Committee.

** This column shows the percentage attendance of Directors at meetings of Board Committees during 2022.

*** This column indicates the title of the Director within each Committee; "P" Chairman; "X" member.

Table 3

Structure of the Board of Statutory Auditors at the end of the Financial Year

BOARD OF STATUTORY AUDITORS												
OFFICE	MEMBERS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE	M/m SLATE*	INDEP. CODE	% ATTENDANCE AT BOARD OF STATUTORY AUDITORS MEETINGS**	% ATTENDANCE AT BOD MEETINGS***	NO. OF OTHER POSITIONS IN LISTED COMPANIES	NO. OF OTHER APPOINTMENTS****
Chairman	Gianluca Ferrero	1963	28/05/2014	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	INARCASSA	m	√	100	92	1	17
Standing auditor	Pasquale De Falco	1964	09/06/2020	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	CDP Industria S.p.A.	M	√	100	92	-	-
Standing auditor	Rossella Tosini	1959	09/06/2020	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	CDP Industria S.p.A.	M	√	100	100	-	-
Alternate member	Alberto De Nigro	1958	19/05/2017	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	INARCASSA	m	√	-	-	1	4
Alternate member	Aldo Anellucci	1967	09/06/2020	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	CDP Industria S.p.A.	M	√	-	-	-	7
Alternate member	Valeria Maria Scuteri	1955	09/06/2020	09/06/2020	Sh. meeting to app. 2022 Fin. Stat.	CDP Industria S.p.A.	M	√	-	-	-	6

No. of meetings held in 2022: 12
 Average length of meetings held in 2022: 96 min.
 Quorum required for the submission of lists by minorities for the election of Statutory Auditors (under Article 148 of the Italian Consolidated Law on Finance (TUF)): 1%

*This column indicates whether the statutory auditor was taken from the majority list ("M") or from a minority list ("m").
 **This column shows the percentage of attendance at Board of Statutory Auditors meetings during 2022.
 ***This column shows the percentage attendance by Statutory Auditors at meetings of the Board of Directors during 2022.
 ****This column shows the number of other relevant appointments under Article 148-bis of the Italian Consolidated Law on Finance (TUF), including those in listed companies, as of 31 December 2022.



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